

MEDIOLANUM S.p.A.

**Third Quarter
Report at
September 30
2006**

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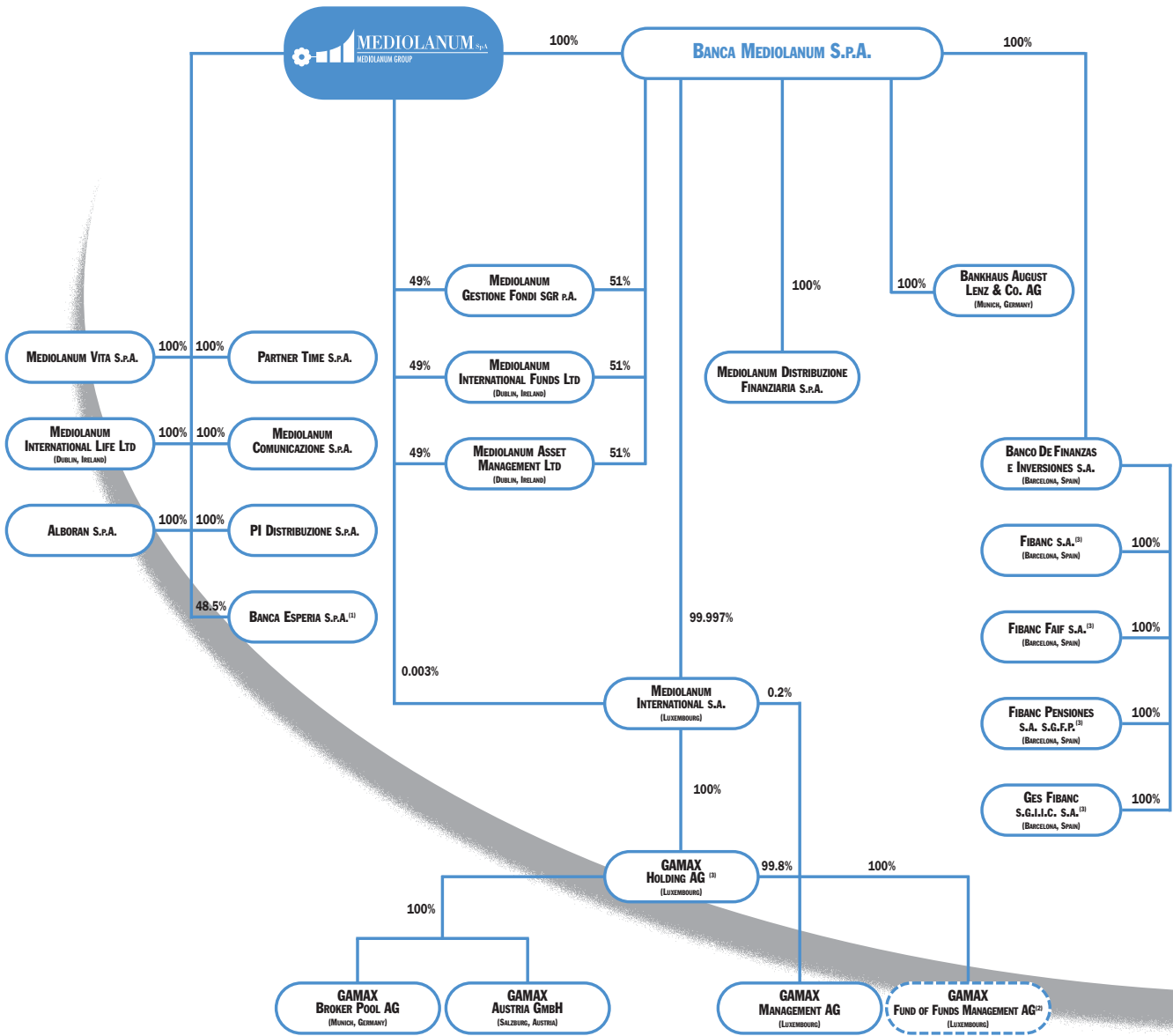
MEDIOLANUM S.p.A.

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Group Structure

AS OF SEPTEMBER 30, 2006



(1) The remaining capital is held by third parties.

(2) In liquidation.

(3) Pursuant to regulations directors have a symbolic shareholding.

Corporate Governance Officers

BOARD OF DIRECTORS

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

BOARD OF STATUTORY AUDITORS

Mauri Arnaldo	Chairman
Frattini Achille	Standing Auditor
Giampaolo Francesco Antonio	Standing Auditor
Gatti Ferdinando	Alternate Auditor
Vittadini Francesco	Alternate Auditor

BOARD SECRETARY

Luca Maria Rovere

INDEPENDENT AUDITORS

Reconta Ernst & Young S.p.A.



MEDIOLANUM S.p.A.

Directors' Report

Directors' Report

At September 30, 2006 the Mediolanum Group reported net profit of €166,356 thousand versus €180,273 thousand in the same period of the prior year.

The decline was in connection with the lower performance fees earned in the period, which amounted to €55,798 thousand versus €98,356 thousand in the same period of the prior year.

Net of that effect, the Group recorded growth especially in connection with greater assets under management.

At September 30, 2006 total assets under management and administration amounted to €32,235.1 million growing 9% over the same period of 2005 (€29,556.4 million) and 6% over December 31, 2005 (€30,399.1 million).

● The macroeconomic environment

After the remarkable growth recorded in the first half of the year, during the summer the global economy slowed down. The acceleration of European economies did not help much.

In the United States, after a number of interest rate hikes, which brought the Fed funds rate to 5.25%, the economy began to cool down as testified by declining mortgage lending, building and real estate prices.

As signs of a slow down became more and more apparent, the Fed paused in its monetary tightening cycle beginning from its August meeting, though officially it remained hawkish.

The prospects of an economic slow down drove down raw material and oil prices. Oil prices are now hovering below the \$60 per-barrel mark, despite OPEC's announcement of production cuts.

Continental Europe was on the rise. The higher industrial output, orders and productivity, the improved sentiment, the good performance of retail sales and the dropping joblessness rate led the economists of primary research institutes to revise upward growth estimates for the current year as well as for 2007.

Although lagging behind, also our domestic economy was on the upside. Italy's GDP growth is estimated close to 2% for 2006, while no firm number is projected for next year, due to possible adverse effects of the forthcoming Budget Act approval and the ensuing new tax regime.

Spurred by the improved economic picture, the European Central Bank continued to raise rates in both August and October up to 3.25% and sent signals to the markets that further tightening may be in the cards before year end.

The slowdown in the US economy seems to have an adverse impact also on Asian economies. However, key analysts claim the impact will be contained and offset by the growing domestic demand of Japan and largely of China.

After a period of uncertainty about the possible developments of the crisis between Israel and Lebanon, during the summer confidence resurfaced on financial markets, and major stock and bond indices were on the upturn again across the globe.

The Fed kept interest rates on hold bearing out predictions of a soft landing of the global economy with inflationary pressures under control. Falling raw material prices and shared expectations for interest rate stability corroborate that outlook.

Turning to microeconomic analysis, publicly traded companies generally reported satisfactory earnings though coupled with cautious guidance for the future.

For the next few months the global macroeconomic scenario appears to show moderate non-inflationary growth, stable interest rates or interest rates which should be relatively low compared to their historical average, limited political tensions, good profitability of listed companies as well as good fundamentals subject to further improvements following the steady consolidation and rationalization which are still underway in many industries.

The overall economic environment therefore appears to be positive for investments in both equities and bonds.

● The insurance market

In the period January to August 2006 new Life business written declined 9.2% over the prior year. Specifically, the steepest drop was recorded in bank and post office sales (down 12%) and, in terms of products, in class V policies (down 30.8%).

As to sales made by financial advisors, ANIA statistics show a 7.1% increase in new Life business. The increase largely related to unit and index-linked policies, which accounted for 78.7% of total new Life business written. Specifically, sales of unit-linked policies grew 11.6%, while those of index-linked policies were up 6.8%. Over 90% of new Life policies sold by financial advisors were single-premium contracts.

● Mediolanum Group's Performance

For a better understanding of the Group's performance, the review of operations is divided into domestic market and foreign markets.

○ Domestic market

In the third quarter 4Freedoms, the initiative designed to further business growth, continued to generate results as Banca Mediolanum bank accounts rose to 440,382 from 373,140 at September 30, 2005.

In the first nine months of 2006 about 77,000 new bank accounts were opened. The monthly average was 8,500 new bank accounts versus a monthly average of 6,700 bank accounts for the full year 2005.

The positive trend reported in the interim report was confirmed as again about 60% of new bank accounts were opened by new Group customers and about 70% of new bank accounts became active within 8 months of their opening.

Since the launch of 4Freedoms the assets of customers who opened a new bank account have grown over time from an average figure of €4,638 for customers who opened a bank account in the last month (September 2006) to €24,425 for customers who opened a bank account at the inception of the 4Freedoms program (March 2005).

It should be noted that 71% of the assets of those initial customers is invested in managed accounts.

Among the products introduced in the third quarter there is "Mediolanum Trio" a unit-linked Life policy launched in July which combines the advantages of insurance with the opportunities provided by financial markets. Mediolanum Trio policyholders receive periodic coupon payments from three different proprietary funds, thus diversifying their investments across sophisticated instruments that are managed using advanced tools and techniques.

At the end of the quarter under review another new product was launched. It is named "Double Premium" and is an index-linked policy. Under that policy returns are linked to the performance of a European stock benchmark index. Policyholders can thus benefit from a dual advantage: they earn returns on any increases or decreases in the benchmark index, provided that the index does not drop below a certain value, and their principal is protected since in case of policyholder's death it is fully repaid.

At September 30, 2006 the domestic sales force consisted of 6,366 people (vs. 5,836 at December 31, 2005) of whom 3,996 financial advisors (vs. 3,978 at December 31, 2005). The sales force increase largely relates to non-licensed financial advisors, who after training and passing the CONSOB exam will become licensed financial advisors. At September 30, 2006 there were 47 new Punto Mediolanum offices which thus increased to 207 offices from 160 offices at the end of the prior year.

In early October Banca Mediolanum began to send out a letter to all its customers to inform them that tied advisors (*Consulenti Globali*) were renamed Family Bankers to reflect more clearly the new pivotal role of that type of advisor within the Mediolanum multi-channel family bank model.

In connection therewith, on last October 1 a nationwide Family Banker recruitment campaign was launched. The campaign leverages a comprehensive media-mix which includes the television, the radio, the Internet as well as the national press.

Let's now turn to the presentation of results by business line.

Life Insurance

In the third quarter, premiums written amounted to €613 million, growing 10% from €558 million in the same period of the prior year. New Life business amounted to €354 million, up 8% over the same period of the prior year (€328 million in the third quarter of 2005).

In the first nine months of 2006 premiums written were up about 20% to €2,193.7 million from €1,828.8 million at September 30, 2005. New Life business was also up 20% to €1,396.1 million (€1,159.9 million at September 30, 2005).

At September 30, 2006 Life assets amounted to €13,345.4 million growing 13% from €11,791.3 million at September 30, 2005 and up 9% from €12,248.6 million at December 31, 2005.

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

At September 30, 2006 premiums written in foreign markets (Spain and Germany) amounted to €126.9 million (€37.3 million in the third quarter 2006) versus €66.1 million at September 30, 2005 (€17.6 million in the third quarter 2005).

Net profit (loss) of Life insurance subsidiaries consolidated on a line-by-line basis:

€/000	Q3 2006	Q3 2005	Sept. 30/06	Sept. 30/05
Mediolanum Vita S.p.A.	16,582	6,726	36,843	35,437
Partner Time S.p.A.	(140)	(385)	(225)	(843)
Mediolanum International Life Ltd	4,052	3,118	17,074	4,891

Banking

At September 30, 2006 Banca Mediolanum S.p.A. reported net profit of €30,044 thousand versus €53,943 thousand in the same period of the prior year.

The decline in net profit is largely in connection with the lower dividends relating to the period and amounting to €27,966 thousand, following the payment in December of the past year of the 2005 interim dividend, which amounted to €68,850 thousand, by the subsidiary Mediolanum International Funds Ltd.

At the end of September 2006 the Bank's total assets amounted to €6,235 million growing by €700 million over December 31, 2005. That was largely in connection with customer deposits growing 6.7% from €3,668 million at December 31, 2005 to €3,913 million at the end of the quarter under review as well as the €386 million increase in financial liabilities held for trading, recognised in relation to possible losses on financial assets held for trading.

At September 30, 2006 the Bank's total assets under administration (customer deposits and securities in custody) rose to €4,919 million from €4,760 million at the end of the prior year.

Customer loans were up 48% to €1,067 million from 722 million at December 31, 2005. Direct mortgage lending contributed to that growth as it rose from €125.4 million at December 31, 2005 to €235.2 million at September 30, 2006.

At September 30, 2006 net interest income was up 28% to €51,110 thousand from €40,082 thousand at September 30, 2005. Net income from trading amounted to €3,886 thousand versus €3,056 thousand at September 30, 2005.

Net interest income plus net income from trading amounted to €54,996 thousand, up 27.5% from €43,138 thousand at September 30, 2005.

At September 30, 2006 net commission income grew 1.7% to €88,713 thousand from €87,235 in the prior year. The slow down in the growth trend over the first half of the year (+17.1%) was primarily due to reduced asset management services and greater incentive compensation paid out to the sales force, especially in connection with 4Freedoms. In fact, commission income increased from €236,314 thousand at September 30, 2005 to €279,205 thousand at the end of the first nine months of 2006 (up 18.1%), while commission expense rose from €149,079 thousand to €190,491 thousand at September 30, 2006 (up 27.8%).

The increase in commission expense is in connection with greater incentive compensation paid out to the sales force, especially in relation to 4Freedoms

Net profit (loss) of banking subsidiaries consolidated on a line-by-line basis:

€/000	Q3 2006	Q3 2005	Sept. 30/06	Sept. 30/05
Banca Mediolanum S.p.A.	(7,526)	(5,535)	30,044	53,943
Mediolanum Distribuzione Finanziaria S.p.A.	(30)	(9)	(212)	(9)

Asset management

In the first nine months of 2006 gross inflows of retail clients' assets into managed accounts and mutual funds amounted to €2,011.7 million (Q3 2006: €364.5 million) versus €1,216.8 million at September 30, 2005 (Q3 2005: €497.3 million). Net inflows amounted to €26.9 million (Q3 2006: -€86.7 million) versus €58.8 million in the past year (Q3 2005: + €117.7 million).

In the first nine months of 2006 gross inflows to Life insurance investment products amounted to €1,102.7 million versus €1,018.4 million in the same period of the past year, while net inflows reached €787.0 million versus €623.5 million at September 30, 2005.

At September 30, 2006 total assets under management amounted to €14,999.4 million growing 13% over September 30, 2005 (€13,317.3 million) and up 6.5% over December 31, 2005. In the third quarter assets under management grew €659.9 million (Q3 2005: €1,062.7 million).

Net profit (loss) of asset management subsidiaries consolidated on a line-by-line basis:

€/000	Q3 2006	Q3 2005	Sept. 30/06	Sept. 30/05
Mediolanum International Funds Ltd	40,139	54,392	105,168	138,876
Mediolanum Gestione Fondi SGR p.A.	2,152	2,945	8,694	6,198
Mediolanum Asset Management Ltd	2,504	1,160	7,512	2,953

The lower net profit reported by Mediolanum International Funds is in connection with the lower performance fees earned in the current year (down €42.3 million).

Other businesses

Other businesses include the 48.5%-owned private banking associate Banca Esperia S.p.A., which heads a group made up of the fund manager Duemme SGR p.A., the hedge fund manager Duemme Hedge SGR p.A., the investment trust Duemme Servizi Fiduciari S.p.A., the trust company Duemme Trust Company S.p.A., plus Duemme Capital that was incorporated in the first months of 2006. Duemme Capital is an advisory firm based in London that was formed to assist the Banca Esperia Group in the selection of asset managers and investment monitoring.

In the first nine months of 2006 the Banca Esperia Group reported net inflows of €772 million, up 37% from €563 million at September 30, 2005.

Total assets under management increased 17.5% from €5,505 million at September 30, 2005 to €6,466 million at the end of the quarter under review.

At September 30, 2006 there were 54 private bankers as at December 31, 2005.

For the third quarter 2006 the Banca Esperia Group reported net profit of €3,642 thousand versus €5,973 thousand in the third quarter 2005. For the nine months ended September 30, 2006 net profit was €9,871 thousand versus €10,613 thousand in the same period of the past year (down 7%).

Mediolanum S.p.A.

At September 30, 2005 the Parent Company Mediolanum S.p.A. reported net profit of €112,719 thousand versus €121,194 thousand at September 30, 2005.

The decrease in net profit is in connection with the lower commission income and dividends from subsidiaries, partly offset by the extraordinary dividend received from Consortium.

At September 30, 2006 commission income amounted to €124,733 thousand (€129,857 thousand at September 30, 2005), of which €121,919 thousand (€126,993 thousand at September 30, 2005) earned as insurance agent of the subsidiary Mediolanum Vita S.p.A. Commission expense primarily relates to commissions paid to the subsidiary Banca Mediolanum S.p.A. which amounted to €122,060 thousand (€116,291 thousand at September 30, 2005). In the first months of 2006 the terms of the commercial agreement with Mediolanum Vita S.p.A. were reviewed and from the beginning of the current year the rappels calculated on collection commissions were no longer paid. At September 30, 2005 that expense had amounted to €8,345 thousand.

During 2006 dividends from equity investments classified as "Available-for-sale Financial Assets" amounted to €16,144 thousand versus €375 thousand at September 30, 2005. Those dividends largely consisted of the dividend distributed by Consortium S.r.l. in the amount of €15,688 thousand, of which €3,766 thousand related to the 2005 ordinary dividend and €11,922 thousand to the extraordinary dividend paid out in connection with the early close of the books at June 30, 2006 following the sale of the company's assets.

Upon said extraordinary dividend distribution, the carrying amount of the shareholding in Consortium S.r.l. was written down by €5,928 thousand.

As mentioned above, the decline in net profit recorded at the end of the quarter under review over September 30, 2005 also reflects the lower dividends from subsidiaries (down €6,560 thousand) following the distribution in December of the past year of a 2005 interim dividend (€66,150 thousand) by Mediolanum International Funds Ltd. Finally, you are informed that last July 175,000 shares were subscribed under the stock options plan for private bankers promoted by the subsidiary Banca Esperia together with the majority shareholders Mediobanca and Mediolanum. 87,500 of those shares were transferred to the beneficiaries by Mediolanum. Under IFRS 2 the stock options plan was classified as a "cash-settled share-based payment transaction" in consideration of the put/call options which entitle the recipients to future cash flows arising from the transaction. The shares which were legally transferred upon the exercise of the stock options last July were not derecognised since substantially all the risks and rewards of ownership thereof were not transferred [IAS 18 paragraph 14 (a),(b) and IAS 39 AG 51 (i)].

At September 30, 2006 an expense of €4,239 thousand was recognised in the income statement of Mediolanum S.p.A. in connection with the fair value measurement of the commitments to buy-back Mediolanum S.p.A. shares under the stock option plan.

Foreign markets

Spain

Mediolanum conducts business in Spain through the Spanish Group Fibanc (a wholly-owned subsidiary of Banca Mediolanum).

At September 30, 2006 the Fibanc Group reported net profit of €349 thousand versus €142 thousand in the same period of the prior year.

At the end of the quarter under review the sales force consisted of 649 people (vs. 485 at September 30, 2005) of whom 472 tied financial advisors (vs. 420 at September 30, 2005).

At September 30, 2006 net inflows amounted to €42.4 million (of which €83.5 million into managed accounts) versus €78.8 million in the prior year (of which €71.5 million into managed accounts).

At September 30, 2006 total assets under management and administration amounted to €2,384.5 million, up 2.9% over June 30, 2006 (€2,317.1 million) and up 4.1% over September 30, 2005 (€2,290.8 million).

Net profit (loss) of Spanish subsidiaries consolidated on a line-by-line basis:

€/000	Q3 2006	Q3 2005	Sept. 30/06	Sept. 30/05
Gruppo Fibanc S.A.	241	(473)	349	142

Germany

Mediolanum conducts business in Germany through Bankhaus August Lenz & Co. AG and the Gamax Holding AG Group. Bankhaus August Lenz & Co. AG is a Banca Mediolanum's wholly-owned bank, while the Gamax Holding AG Group is 99.997% owned by Mediolanum International S.A. and is made up of a holding company with shareholdings in two Luxembourg-based fund management companies and in two distribution companies operating in Germany and Austria.

At September 30, 2006 total assets under management and administration of German subsidiaries amounted to €650.0 million versus €654.3 million at September 30, 2005 (down 2.5%).

In the first nine months of 2006 **Bankhaus August Lenz** reported net inflows of €1.2 million (€9.0 million into managed accounts) versus €0.3 million in the prior year (€6.5 million into managed accounts). At September 30, 2006 the sales force consisted of 48 people versus 64 people at September 30, 2005.

For the quarter under review the German bank reported net loss of €1,672 thousand versus net loss of €2,147 thousand for the third quarter of 2005. At September 30, 2006 the bank reported net loss of €5,207 thousand, improving over the past year (net loss of €6,498 thousand).

For the third quarter 2006 the **Gamax Group** reported net profit of €417 thousand. The decline over the past year (€1,608 thousand) was primarily in connection with lower assets under management and performance fees. At September 30, 2006 net profit amounted to €1,016 thousand versus €4,047 thousand in the prior year.

Gross inflows (Gamax funds and third-party funds) totalled €82.1 million versus €70.7 million in the past year. Net inflows into Gamax funds continued to be on the downside with a negative balance of €32 million versus a negative balance of €40.7 million at September 30, 2005.

Net profit (loss) of German subsidiaries consolidated on a line-by-line basis:

€/000	Q3 2006	Q3 2005	Sept. 30/06	Sept. 30/05
Bankhaus August Lenz & Co. AG	(1,672)	(2,147)	(5,207)	(6,498)
Gruppo Gamax Holding AG	417	1,608	1,016	4,047

● Summary key financials

○ Funding

€/million	Sept. 30, 2006	Sept. 30, 2005	Change %
DOMESTIC MARKET			
ASSET MANAGEMENT			
- Life insurance products			
Life premiums written	2,193.7	1,828.8	+20
<i>Of which:</i>			
New business	1,396.1	1,159.9	+20
Portfolio	797.6	668.9	+19
- Mutual funds and managed accounts			
Consolidated net inflows	26.9	58.8	-54
<i>Out of:</i>			
Consolidated gross inflows	2,011.7	1,216.8	+65
ASSET ADMINISTRATION			
- Bank accounts and securities in custody			
Consolidated net inflows	244.8	226.8	+8
Banca Esperia Group			
Consolidated net inflows (48.5%)	772.0	563.0	+37
FOREIGN MARKETS			
ASSET MANAGEMENT			
- Life insurance products			
Life premiums written	126.9	66.1	+92
- Mutual funds and managed accounts			
Consolidated net inflows	(9.4)	(15.0)	n/a
<i>Out of:</i>			
Consolidated gross inflows	328.1	292.7	+12
ASSET ADMINISTRATION			
- Bank accounts and securities in custody			
Consolidated net inflows	(48.9)	1.1	n/a

○ Consolidated assets under management and under administration

€/million	Sept. 30, 2006	Sept. 30, 2005	Change %
Life products	13,345.4	11,791.3	+13
Mutual funds and managed accounts	14,999.4	13,317.3	+13
Banking	4,919.0	4,673.1	+5
Consolidation adjustments	(7,199.2)	(5,840.4)	+23
Banca Esperia Group ^(*)	3,136.0	2,669.9	+17
Total "Domestic Market"	29,200.5	26,611.2	+10
Life products	386.3	287.2	+34
Mutual funds and managed accounts	1,111.0	1,129.9	-2
Banking	1,546.6	1,463.7	+6
Other products	241.9	306.4	-21
Consolidation adjustments	(251.2)	(242.2)	+4
Total "Foreign Markets"	3,034.5	2,945.1	+3
Total Group	32,235.1	29,556.4	+9

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

○ The sales networks

Number	Sept. 30, 2006	Sept. 30, 2005	Change %
Banca Mediolanum licensed financial advisors	3,996	3,999	-
Banca Mediolanum non-licensed financial advisors	1,822	917	+99
Credit executives	66	63	+5
Partner Time network ^(*)	482	672	-28
Total "Domestic Market"	6,366	5,651	+13
Fibanc Group network	649	618	+5
Gamax Group network ^(**)	176	130	+35
Bankhaus August Lenz & Co. network	48	64	-25
Total "Foreign Markets"	873	812	+8
Total	7,239	6,463	+12

(*) The Partner Time Network sales force figures relate to advisors and soliciting agents who worked for the network in the last nine months.

(**) The Gamax Group network sales force figures relate to the monthly average number of soliciting agents who worked for the network in the period.

SEGMENT REPORTING

This section presents consolidated financial data reported by segment. Segment reporting entailed certain reclassifications of financial information in comparison with the Consolidated Income Statement included in the Consolidated Accounts at September 30, 2006.

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.

This section presents consolidated financial results reported by business segment (primary format), i.e. Life Insurance, Banking, Asset Management and Other, and then by geographical segment (secondary segment) by reference to the Group markets, i.e. Domestic and Foreign markets.

The policies adopted in the reclassification of income and expense items include the presentation of balances by nature and the recognition of financial income/expense on policyholders' assets under "Amounts paid and change in technical reserves".

The reconciliation of the consolidated income statement at September 30, 2006 to the reclassified income statement prepared for segment reporting purposes is set out below.

Reconciliation of the income statement at September 30, 2006 to the reclassified income statement for segment reporting purposes

€/000	Consolidated income statements
1. Revenues	
1.1 Net premiums written	
1.1.1 Gross premiums written	2,299,879
1.1.2 Reinsurance premiums	(3,847)
Total premiums written	2,296,032
1.2 Commission income	427,114
1.3 Net income on financial instruments at fair value through profit and loss	197,903
1.4 Income on investments in subsidiaries, associates and jvs	4,755
1.5 Income on other financial instruments and investment property	
1.5.1 Interest income	110,415
1.5.2 Other income	16,586
1.5.3 Realised gains	10,657
1.5.4 Unrealised gains	3,038
Total income on other financial instruments and investment property	140,696
1.6 Other revenues	17,925
Total revenues	3,084,426
2. Costs	
2.1 Net claims and benefits	
2.1.1 Amounts paid and change in technical reserves	(2,331,617)
2.1.2 Reinsurers' share/recoveries from reinsurers	5,130
Net claims and benefits	(2,326,487)
2.2 Commission expense	(161,201)
2.3 Loss on other investments in subsidiaries, associates and jvs	-
2.4 Loss on other financial instruments and investment property	
2.4.1 Interest expense	(62,736)
2.4.2 Other expenses	(775)
2.4.3 Realised losses	(118)
2.4.4 Unrealised losses	(9,869)
Loss on other financial instruments and investment property	(73,498)
2.5 Operating expenses	
2.5.1 Agents' commissions and other acquisition costs	(86,266)
2.5.2 Investment management costs/expenses	(349)
2.5.3 Other administrative expense	(176,927)
Total operating expenses	(263,542)
2.6 Other costs	(44,249)
Total costs	(2,868,978)
Profit(loss) for the period	215,448
3. Income tax	(49,092)
Profit(loss) for the period	166,356
4. Profit (loss) from discontinued operations	-
Group net profit (loss) for the period	-

RECLASSIFICATIONS

Interest income and expense on assets/liabilities pertaining to policyholders
(including policies classified as financial contracts under IFRS4)

TOTAL RECLASSIFICATIONS

RECLASSIFIED INCOME STATEMENT - REVENUES

Net premiums written	Entry fees	Management fees	Performance fees	Banking service fees	Other fees	Interest income and similar income	Interest expense and similar charges	Net income on investments at fair value	Net income on other investments	Other revenues
2,299,879	-	-	-	-	-	-	-	-	-	-
(3,847)	-	-	-	-	-	-	-	-	-	-
2,296,032	-	-	-	-	-	-	-	-	-	-
-	45,317	234,018	55,798	53,827	38,154	-	-	-	-	-
-	-	-	-	-	-	178,527	(39,660)	59,035	-	-
-	-	-	-	-	-	-	-	-	4,755	-
-	-	-	-	-	-	110,415	-	-	-	-
-	-	-	-	-	-	28	-	-	16,558	-
-	-	-	-	-	-	-	-	-	10,657	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	17,925
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(62,736)	-	-	-
-	-	-	-	-	-	-	-	-	(674)	-
-	-	-	-	-	-	-	-	-	(118)	-
-	-	-	-	-	-	-	-	-	(5,928)	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	(2,439)	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
2,296,032	45,317	234,018	55,798	53,827	38,154	288,970	(102,396)	59,035	22,811	17,925
-	-	-	-	-	-	(161,502)	39,526	(61,393)	-	-
2,296,032	45,317	234,018	55,798	53,827	38,154	127,468	(62,870)	(2,358)	22,811	17,925

Reconciliation of the income statement at September 30, 2006 to the reclassified income statement for segment reporting purposes

€/000	Consolidated income statements
1. Revenues	
1.1 Net premiums written	
1.1.1 Gross premiums written	2,299,879
1.1.2 Reinsurance premiums	(3,847)
Total premiums written	2,296,032
1.2 Commission income	427,114
1.3 Net income on financial instruments at fair value through profit and loss	197,903
1.4 Income on investments in subsidiaries, associates and jvs	4,755
1.5 Income on other financial instruments and investment property	
1.5.1 Interest income	110,415
1.5.2 Other income	16,586
1.5.3 Realised gains	10,657
1.5.4 Unrealised gains	3,038
Total income on other financial instruments and investment property	140,696
1.6 Other revenues	17,925
Total revenues	3,084,426
2. Costs	
2.1 Net claims and benefits	
2.1.1 Amounts paid and change in technical reserves	(2,331,617)
2.1.2 Reinsurers' share/recoveries from reinsurers	5,130
Net claims and benefits	(2,326,487)
2.2 Commission expense	(161,201)
2.3 Loss on other investments in subsidiaries, associates and jvs	-
2.4 Loss on other financial instruments and investment property	
2.4.1 Interest expense	(62,736)
2.4.2 Other expenses	(775)
2.4.3 Realised losses	(118)
2.4.4 Unrealised losses	(9,869)
Loss on other financial instruments and investment property	(73,498)
2.5 Operating expenses	
2.5.1 Agents' commissions and other acquisition costs	(86,266)
2.5.2 Investment management costs/expenses	(349)
2.5.3 Other administrative expense	(176,927)
Total operating expenses	(263,542)
2.6 Other costs	(44,249)
Total costs	(2,868,978)
Profit (loss) before tax for the period	215,448
3. Income tax	(49,092)
Profit(loss) for the period	166,356
4. Profit (loss) from discontinued operations	-
Group net profit (loss) for the period	-

RECLASSIFICATIONS

Interest income and expense on assets/liabilities pertaining to policyholders
(including policies classified as financial contracts under IFRS4)

TOTAL RECLASSIFICATIONS

RECLASSIFIED INCOME STATEMENT - EXPENSES AND INCOME TAX

Amounts paid and change in technical reserves	Acquisition costs & other commission expense	Net impairment of financial investments	G&A expenses	Amortisation and depreciation	Provision for risks and charges	Income tax	Net profit
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	3,038	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(2,330,509)	-	-	(1,108)	-	-	-	-
5,130	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(161,201)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	(101)	-	-	-
-	-	-	-	-	-	-	-
-	-	(3,941)	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(83,362)	-	(2,904)	-	-	-	-
-	-	-	(349)	-	-	-	-
-	-	-	(174,488)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(43)	(16,582)	(17,274)	(10,349)	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(49,092)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(2,325,379)	(244,563)	(946)	(195,431)	(17,375)	(10,349)	(49,092)	166,356
183,369	-	-	-	-	-	-	-
(2,142,010)	(244,563)	(946)	(195,431)	(17,375)	(10,349)	(49,092)	166,356

INCOME STATEMENT AT SEPTEMBER 30, 2006

Segment reporting by business sector

€/000	LIFE INSURANCE			ASSET MANAGEMENT		
	2006	2005	delta	2006	2005	delta
Net premiums written	2,296,032	1,818,540	477,492	-	-	-
Entry fees	-	-	-	45,317	29,958	15,359
Management fees	105,448	80,026	25,422	128,571	112,178	16,392
Performance fees	25,245	43,737	(18,492)	30,553	54,619	(24,065)
Banking service fees	-	-	-	865	1,018	(153)
Other fees	17,914	11,873	6,041	17,706	10,701	7,005
Total commission income	148,606	135,636	12,970	223,013	208,474	14,539
Interest income and similar income	15,008	8,548	6,460	2,138	2,084	54
Interest expense and similar charges	(3,544)	(3,722)	178	(351)	(311)	(40)
Net income on investments at fair value	(6,302)	7,396	(13,698)	67	5	62
Net financial income	5,162	12,222	(7,060)	1,854	1,778	76
Net income on other investments	9,769	12,014	(2,245)	214	210	4
Other revenues	12,606	12,960	(354)	322	420	(98)
TOTAL REVENUES	2,472,176	1,991,372	480,803	225,403	210,882	14,521
Amounts paid and change in technical reserves	(2,142,010)	(1,686,368)	(455,643)	-	-	-
Acquisition costs and other commission expense	(126,153)	(107,260)	(18,893)	(81,458)	(51,977)	(29,482)
Net impairment of financial investments	-	-	-	-	(2)	2
G&A expenses	(62,846)	(58,702)	(4,144)	(54,592)	(45,428)	(9,163)
Amortisation and depreciation	(5,105)	(5,504)	399	(4,003)	(4,140)	137
Provision for risks and charges	(5,808)	(4,625)	(1,184)	(2,959)	(2,636)	(323)
PROFIT BEFORE TAX	130,253	128,914	1,338	82,392	106,699	(24,308)
Income tax						
NET PROFIT						

BANKING			OTHER			CONSOLIDATION ADJUSTMENTS			TOTAL		
2006	2005	delta	2006	2005	delta	2006	2005	delta	2006	2005	delta
-	-	-	-	-	-	-	-	-	2,296,032	1,818,540	477,492
-	-	-	-	-	-	-	-	-	45,317	29,958	15,359
-	-	-	-	-	-	-	-	-	234,018	192,205	41,813
-	-	-	-	-	-	-	-	-	55,798	98,356	(42,558)
53,995	52,949	1,046	-	-	-	(1,033)	(970)	(63)	53,827	52,996	831
260	438	(178)	2,791	2,980	(189)	(517)	(418)	(99)	38,154	25,574	12,579
54,255	53,388	868	2,791	2,980	(189)	(1,550)	(1,388)	(162)	427,114	399,089	28,025
124,168	102,127	22,042	1,035	1,061	(26)	(14,882)	(11,578)	(3,304)	127,468	102,242	25,226
(66,330)	(55,601)	(10,729)	(7,471)	(6,655)	(816)	14,826	11,578	3,248	(62,870)	(54,711)	(8,159)
3,820	2,942	877	-	1	(1)	57	-	57	(2,358)	10,345	(12,703)
61,658	49,468	12,190	(6,436)	(5,593)	(843)	1	-	1	62,240	57,876	4,364
306	848	(542)	12,522	5,528	6,994	-	-	-	22,811	18,600	4,211
3,552	6,318	(2,766)	2,270	2,058	212	(824)	(611)	(213)	17,926	21,145	(3,219)
119,771	110,022	9,749	11,147	4,973	6,175	(2,373)	(1,999)	(374)	2,826,123	2,315,251	510,872
-	-	-	-	-	-	-	-	-	(2,142,010)	(1,686,368)	(455,643)
(35,401)	(28,066)	(7,335)	(2,071)	(2,960)	889	521	418	103	(244,563)	(189,844)	(54,719)
(946)	(1,170)	224	-	-	-	-	-	-	(946)	(1,172)	226
(77,044)	(79,113)	2,068	(2,801)	(2,618)	(183)	1,852	1,581	271	(195,431)	(184,280)	(11,151)
(8,151)	(6,921)	(1,231)	(117)	(237)	120	-	-	-	(17,375)	(16,801)	(575)
(1,489)	(3,252)	1,763	(93)	(146)	53	-	-	-	(10,349)	(10,658)	309
(3,261)	(8,499)	5,239	6,065	(989)	7,054	-	-	-	215,448	226,127	(10,679)
									(49,092)	(45,854)	(3,237)
									166,356	180,273	(13,917)

INCOME STATEMENT AT SEPTEMBER 30, 2006

Segment reporting by business sector / domestic market

€/000	LIFE INSURANCE			ASSET MANAGEMENT		
	2006	2005	delta	2006	2005	delta
Net premiums written	2,180,774	1,810,887	369,887	-	-	-
Entry fees	-	-	-	39,471	26,175	13,296
Management fees	105,448	80,027	25,421	115,085	99,070	16,014
Performance fees	25,245	43,737	(18,492)	29,070	50,431	(21,361)
Banking service fees	-	-	-	-	-	-
Other fees	12,159	9,676	2,483	17,529	10,612	6,917
Total commission income	142,852	133,440	9,412	201,154	186,288	14,866
Interest income and similar income	14,512	8,283	6,229	1,844	1,897	(53)
Interest expense and similar charges	(3,544)	(3,722)	178	(91)	(53)	(38)
Net income on investments at fair value	(6,302)	7,396	(13,698)	3	(2)	5
Net financial income	4,667	11,957	(7,291)	1,756	1,842	(86)
Net income on other investments	9,769	12,014	(2,245)	214	210	4
Other revenues	12,606	12,960	(354)	215	335	(120)
TOTAL REVENUES	2,350,667	1,981,258	(2,600)	203,340	188,675	(116)
Amounts paid and change in technical reserves	(2,040,407)	(1,679,404)	(361,003)	-	-	-
Acquisition costs and other commission expense	(116,261)	(106,318)	(9,943)	(70,809)	(44,029)	(26,779)
Net impairment of financial investments	-	-	-	-	(2)	2
G&A expenses	(59,941)	(56,515)	(3,426)	(46,108)	(37,847)	(8,261)
Amortisation and depreciation	(4,577)	(5,026)	450	(3,393)	(3,425)	32
Provision for risks and charges	(5,808)	(4,625)	(1,184)	(2,919)	(2,110)	(809)
PROFIT BEFORE TAX	123,673	129,371	(5,697)	80,112	101,262	(21,150)
Income tax						
NET PROFIT						

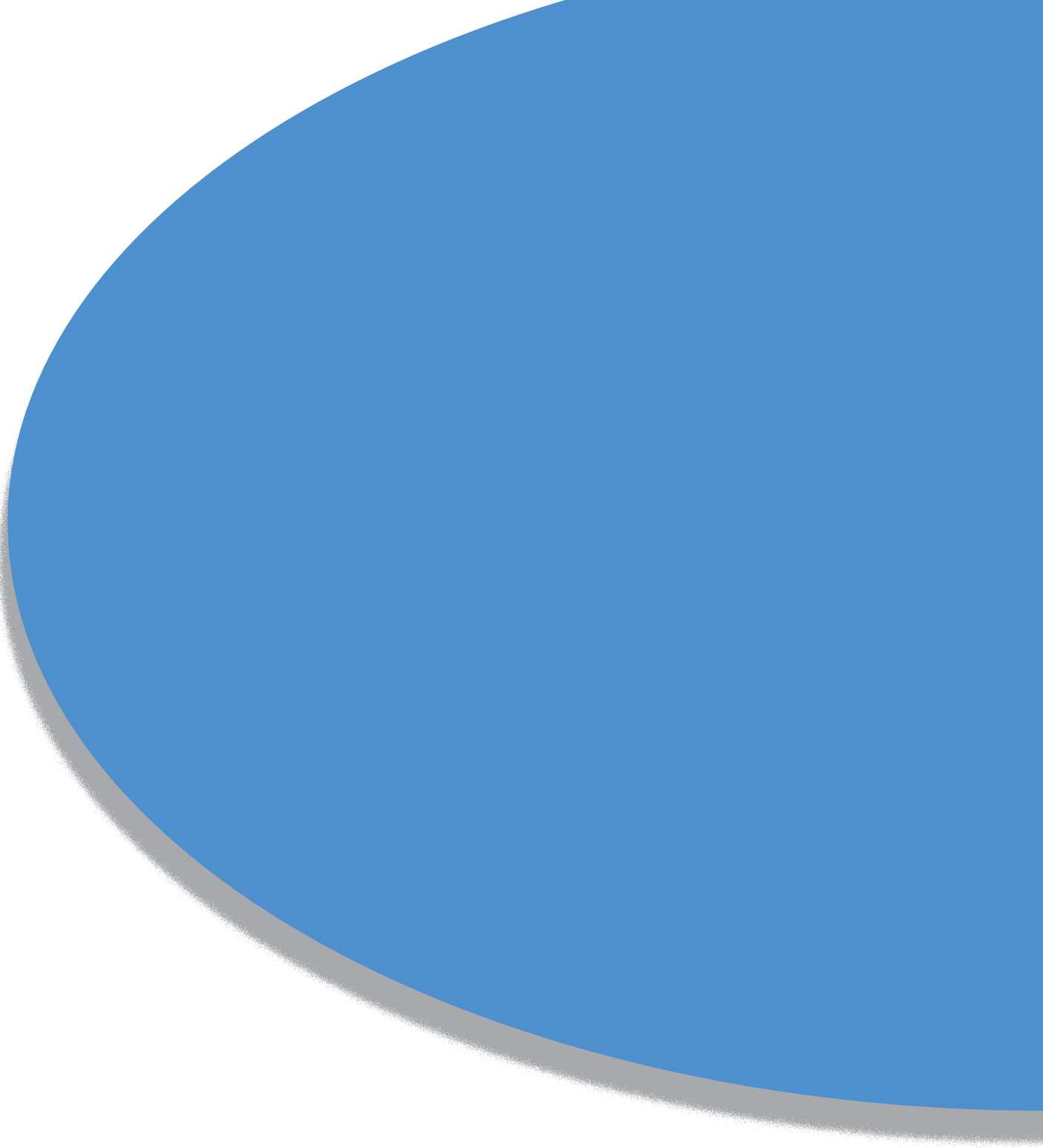
BANKING			OTHER			CONSOLIDATION ADJUSTMENTS			TOTAL		
2006	2005	delta	2006	2005	delta	2006	2005	delta	2006	2005	delta
-	-	-	-	-	-	-	-	-	2,180,774	1,810,887	369,887
-	-	-	-	-	-	-	-	-	39,471	26,175	13,296
-	-	-	-	-	-	-	-	-	220,533	179,097	41,435
-	-	-	-	-	-	-	-	-	54,314	94,168	(39,853)
30,546	30,279	267	-	-	-	(1,028)	(970)	(58)	29,518	29,309	209
4	4	-	2,791	2,980	(189)	-	-	-	32,483	23,272	9,211
30,550	30,283	267	2,791	2,980	(189)	(1,028)	(970)	(58)	376,319	352,021	24,298
110,780	89,619	21,161	1,035	1,061	(26)	(9,360)	(7,397)	(1,963)	118,811	93,463	25,348
(59,669)	(49,537)	(10,133)	(7,471)	(6,655)	(816)	9,360	7,397	1,963	(61,415)	(52,570)	(8,846)
3,886	3,056	830	-	1	(1)	-	-	-	(2,413)	10,451	(12,863)
54,996	43,138	11,858	(6,436)	(5,593)	(843)	-	-	-	54,983	51,344	3,639
130	25	105	12,522	5,528	6,994	-	-	-	22,635	17,777	4,858
2,514	4,979	(2,466)	2,270	2,058	212	-	-	-	17,605	20,333	(2,728)
88,190	78,425	(2,361)	11,147	4,973	7,207	(1,028)	(970)	-	2,652,316	2,252,361	2,131
-	-	-	-	-	-	-	-	-	(2,040,407)	(1,679,404)	(361,003)
(18,491)	(11,667)	(6,824)	(2,071)	(2,960)	889	-	-	-	(207,632)	(164,975)	(42,657)
(270)	(844)	574	-	-	-	-	-	-	(270)	(846)	576
(56,449)	(57,929)	1,480	(2,801)	(2,618)	(183)	1,028	970	58	(164,272)	(153,940)	(10,332)
(7,056)	(5,242)	(1,814)	(117)	(237)	120	-	-	-	(15,142)	(13,930)	(1,212)
(972)	(3,230)	2,257	(93)	(146)	53	-	-	-	(9,792)	(10,110)	318
4,951	(487)	5,438	6,065	(989)	7,054	-	-	-	214,801	229,156	(14,355)
									(48,037)	(45,468)	(2,569)
									166,764	183,688	(16,924)

INCOME STATEMENT AT SEPTEMBER 30, 2006

Segment reporting by business sector / foreign market

€/000	LIFE INSURANCE			ASSET MANAGEMENT		
	2006	2005	delta	2006	2005	delta
Net premiums written	115,258	7,653	107,605	-	-	-
Entry fees	-	-	-	5,846	3,783	2,063
Management fees	-	-	-	13,486	13,108	378
Performance fees	-	-	-	1,484	4,188	(2,704)
Banking service fees	-	-	-	865	1,018	(153)
Other fees	5,755	2,197	3,558	177	89	88
Total commission income	5,755	2,197	3,558	21,858	22,186	(328)
Interest income and similar income	496	265	231	294	187	107
Interest expense and similar charges	-	-	-	(260)	(258)	(2)
Net income on investments at fair value	-	-	-	64	7	57
Net financial income	496	265	231	98	(64)	162
Net income on other investments	-	-	-	-	-	-
Other revenues	-	-	-	107	85	22
TOTAL REVENUES	121,509	10,115	111,394	22,063	22,207	(144)
Amounts paid and change in technical reserves	(101,603)	(6,964)	(94,639)	-	-	-
Acquisition costs and other commission expense	(9,893)	(942)	(8,950)	(10,650)	(7,947)	(2,702)
Net impairment of financial investments	-	-	-	-	-	-
G&A expenses	(2,905)	(2,187)	(718)	(8,483)	(7,581)	(902)
Amortisation and depreciation	(528)	(478)	(50)	(610)	(715)	105
Provision for risks and charges	-	-	-	(40)	(526)	486
PROFIT BEFORE TAX	6,580	(456)	7,036	2,280	5,438	(3,157)
Income tax						
NET PROFIT						

BANKING			OTHER			CONSOLIDATION ADJUSTMENTS			TOTAL		
2006	2005	delta	2006	2005	delta	2006	2005	delta	2006	2005	delta
-	-	-	-	-	-	-	-	-	115,258	7,653	107,605
-	-	-	-	-	-	-	-	-	5,846	3,783	2,063
-	-	-	-	-	-	-	-	-	13,486	13,108	378
-	-	-	-	-	-	-	-	-	1,484	4,188	(2,704)
23,449	22,670	779	-	-	-	-	-	-	24,314	23,688	626
256	434	(178)	-	-	-	-	-	-	6,188	2,720	3,468
23,705	23,104	601	-	-	-	-	-	-	51,318	47,487	3,831
13,389	12,508	881	-	-	-	-	-	-	14,179	12,960	1,219
(6,661)	(6,064)	(597)	-	-	-	-	-	-	(6,921)	(6,322)	(599)
(66)	(113)	47	-	-	-	-	-	-	(2)	(106)	104
6,662	6,331	331	-	-	-	-	-	-	7,256	6,532	724
176	823	(647)	-	-	-	-	-	-	176	823	(647)
1,038	1,339	(301)	-	-	-	(365)	(200)	(165)	780	1,224	(444)
31,581	31,597	(16)	-	-	-	(365)	(200)	(165)	174,789	63,719	111,069
-	-	-	-	-	-	-	-	-	(101,603)	(6,964)	(94,639)
(16,910)	(16,399)	(511)	-	-	-	-	-	-	(37,453)	(25,289)	(12,164)
(676)	(326)	(350)	-	-	-	-	-	-	(676)	(326)	(350)
(20,595)	(21,183)	588	-	-	-	365	200	165	(31,618)	(30,751)	(868)
(1,096)	(1,679)	583	-	-	-	-	-	-	(2,234)	(2,872)	638
(517)	(22)	(495)	-	-	-	-	-	-	(557)	(548)	(9)
(8,213)	(8,012)	(201)	-	-	-	-	-	-	647	(3,030)	3,677
									(1,054)	(385)	(669)
									(408)	(3,416)	3,008



MEDIOLANUM S.p.A.

Consolidated Accounts

Balance sheet

Assets

€/000	Sept. 30, 2006	June 30, 2006	Dec. 31, 2005
1. Intangible assets			
1.1 Goodwill	162,414	162,414	162,414
1.2 Other intangible assets	26,060	24,685	25,516
Total intangible assets	188,474	187,099	187,930
2. Tangible assets			
2.1 Property	57,849	58,099	59,831
2.2 Other tangible assets	15,708	15,788	17,235
Total tangible assets	73,557	73,887	77,066
3. Reinsurers' share of technical reserves	103,293	103,811	105,737
4. Investments			
4.1 Investment property	6,985	6,997	22,276
4.2 Investments in subsidiaries, associates and jvs	34,106	34,333	29,354
4.3 Held to maturity investments	565,232	566,965	733,680
4.4 Loans and receivables	3,385,416	3,128,203	3,342,392
4.5 Available for sale financial assets	920,404	886,753	845,166
4.6 Financial assets at fair value through profit and loss	14,780,296	14,066,935	12,643,332
Total investments	19,692,439	18,690,186	17,616,200
5. Receivables			
5.1 Arising out of direct insurance business	16,800	32,551	11,543
5.2 Arising out of reinsurance business	1	299	-
5.3 Other receivables	1,248	1,630	1,966
Total receivables	18,049	34,480	13,509
6. Other assets			
6.1 Non current assets or assets of disposal groups, held for sale	372	372	372
6.2 Deferred acquisition costs	-	-	-
6.3 Deferred tax assets	41,616	43,628	39,847
6.4 Current tax assets	104,027	101,905	121,098
6.5 Other assets	189,252	283,952	207,334
Total other assets	335,268	429,857	368,651
7. Cash and cash equivalents	497,202	307,828	522,869
TOTAL ASSETS	20,908,282	19,827,148	18,891,962

Shareholders' equity and liabilities

€/000	Sept. 30,2006	June 30, 2006	Dec. 31, 2005
1. Shareholders' equity			
1.1 Group shareholders' equity			
1.1.1 Share capital	72,881	72,840	72,738
1.1.2 Other equity instruments	-	-	-
1.1.3 Capital reserves	52,475	51,033	50,358
1.1.4 Retained earnings and other equity reserves	501,053	500,813	349,518
1.1.5 Treasury shares (-)	(2,045)	(2,045)	(2,045)
1.1.6 Exchange difference reserves	-	-	-
1.1.7 Gains or losses on available for sale financial assets	106,690	80,412	104,105
1.1.8 Other gains or losses recognised directly in equity	-	-	-
1.1.9 Net profit (loss) for the year attributable to the Group	166,356	105,519	233,312
Total capital and reserves attributable to the Group	897,410	808,572	807,986
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 shareholders' equity	897,410	808,572	807,986
2. Provisions	63,644	60,011	57,422
3. Technical reserves	12,651,453	11,885,594	11,201,382
4. Financial liabilities			
4.1 Financial liabilities at fair value through profit and loss	1,489,525	1,327,450	1,399,692
4.2 Other financial liabilities	5,362,960	5,318,732	4,971,315
Total financial liabilities	6,852,485	6,646,182	6,371,007
5. Payables			
5.1 Arising out of direct insurance business	41,675	11,666	8,357
5.2 Arising out of reinsurance business	376	109	900
5.3 Other payables	184,250	183,944	208,346
Total payables	226,301	195,719	217,603
6. Other liabilities			
6.1 Liabilities of disposal groups held for sale	-	-	-
6.2 Deferred tax liabilities	17,977	15,689	17,441
6.3 Current tax liabilities	48,713	34,594	43,910
6.4 Other liabilities	150,298	180,787	175,210
Total other liabilities	216,988	231,070	236,561
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	20,908,282	19,827,148	18,891,962

Income statement

€/000	Q3 2006	Q3 2005	Sept. 30/06	Sept. 30/05
1. Revenues				
1.1 Net premiums written				
1.1.1 Gross premiums written	644,789	557,846	2,299,879	1,822,692
1.1.2 Reinsurance premiums	(1,216)	(1,292)	(3,847)	(4,152)
Net premiums written	643,573	556,554	2,296,032	1,818,540
1.2 Commission income	136,197	146,552	427,114	399,089
1.3 Net income on financial instruments at fair value through profit and loss	414,450	313,379	197,903	930,090
1.4 Income on investments in subsidiaries, associates and jvs	1,577	3,235	4,755	5,485
1.5 Income on other financial instruments and investment property				
1.5.1 Interest income	40,253	35,747	110,415	97,271
1.5.2 Other income	12,170	56	16,586	1,283
1.5.3 Realised gains	144	380	10,657	13,513
1.5.4 Unrealised gains	416	3,376	3,038	7,234
Total income on other financial instruments and investment property	52,983	39,559	140,696	119,301
1.6 Other revenues	5,620	5,849	17,925	21,174
Unrealised gains	1,254,401	1,065,127	3,084,426	3,293,678
2. Costs				
2.1 Net claims and benefits				
2.1.1 Amounts paid and change in technical reserves	(1,001,733)	(831,359)	(2,331,617)	(2,608,002)
2.1.2 Reinsurers' share/recoveries from reinsurers	1,537	1,807	5,130	5,453
Net claims and benefits	(1,000,196)	(829,552)	(2,326,487)	(2,602,549)
2.2 Commission expense	(47,200)	(43,860)	(161,201)	(123,024)
2.3 Loss on other investments in subsidiaries, associates and jvs	-	-	-	-
2.4 Loss on other financial instruments and investment property				
2.4.1 Interest expense	(24,493)	(18,644)	(62,736)	(54,579)
2.4.2 Other expenses	(83)	(451)	(775)	(1,389)
2.4.3 Realised losses	(27)	(22)	(118)	(55)
2.4.4 Unrealised losses	(6,770)	(2,833)	(9,869)	(8,368)
Loss on other financial instruments and investment property	(31,373)	(21,950)	(73,498)	(64,391)
2.5 Operating expenses				
2.5.1 Agents' commissions and other acquisition costs	(23,900)	(20,534)	(86,266)	(67,447)
2.5.2 Investment management costs/expenses	(130)	(119)	(349)	(337)
2.5.3 Other administrative expense	(57,062)	(54,622)	(176,927)	(168,542)
Total operating expenses	(81,092)	(75,275)	(263,542)	(236,326)
2.6 Other costs	(18,045)	(16,000)	(44,249)	(40,946)
Total costs	(1,177,908)	(986,637)	(2,868,978)	(3,067,236)
Profit (loss) before tax for the period	76,493	78,491	215,448	226,443
3. Income tax	(15,657)	(13,275)	(49,092)	(46,169)
Profit(loss) for the period	60,837	65,215	166,356	180,273
4. Profit (loss) from discontinued operations	-	-	-	-
Group net profit (loss) for the period	60,837	65,215	166,356	180,273

Statement of changes in shareholders' equity

€/000	Balance at Dec. 31, 2004	Adjustment to closing balance	Amount credited	Transferred to the Income Statement	Other movements	Balance at Sept. 30, 2005
Shareholders' equity pertaining to the Group						
Share capital	72,567	-	165	-	-	72,732
Other equity instruments	-	-	-	-	-	-
Capital reserves	47,807	-	2,336	-	-	50,143
Retained earnings and other equity reserves (Treasury shares)	364,365	(14,633)	60,825	-	-	410,557
Exchange difference reserve	-	(2,045)	-	-	-	(2,045)
Gains (losses) on available-for-sale financial assets	-	35,178	84,855	(6,525)	-	113,508
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 period	159,055	-	122,758	-	(101,540)	180,273
Total shareholders' equity pertaining to the Group	643,794	18,500	270,939	(6,525)	(101,540)	825,168
Shareholders' equity pertaining to minority interest						
Share capital and reserves	-	-	-	-	-	-
Gains (losses) recognized directly in equity	-	-	-	-	-	-
Net profit (loss) for the period	-	-	-	-	-	-
Total shareholders' equity pertaining to minority interests	-	-	-	-	-	-
TOTAL	643,794	18,500	270,939	(6,525)	(101,540)	825,168

€/000	Balance at Dec. 31, 2005	Adjustment to closing balance	Amount credited	Transferred to the Income Statement	Other movements	Balance at Sept. 30, 2006
Shareholders' equity pertaining to the Group						
Share capital	72,738	-	143	-	-	72,881
Other equity instruments	-	-	-	-	-	-
Capital reserves	50,358	-	2,117	-	-	52,475
Retained earnings and other equity reserves (Treasury shares)	349,518	-	151,535	-	-	501,053
Exchange difference reserve	(2,045)	-	-	-	-	(2,045)
Gains (losses) on available-for-sale financial assets	-	-	-	-	-	-
Gains (losses) on available-for-sale financial assets	104,105	-	5,462	(2,877)	-	106,690
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 period	233,312	-	16,648	-	(83,604)	166,356
Totale di pertinenza del Gruppo	807,986	-	175,905	(2,877)	(83,604)	897,410
Shareholders' equity pertaining to minority interest						
Share capital and reserves	-	-	-	-	-	-
Gains (losses) recognized directly in equity	-	-	-	-	-	-
Net profit (loss) for the period	-	-	-	-	-	-
Total shareholders' equity pertaining to minority interests	-	-	-	-	-	-
TOTAL	807,986	-	175,905	(2,877)	(83,604)	897,410

Cash flow statement

Indirect method

€/000	Sept. 30, 2006	Sept. 30, 2005
Pre-tax profit (loss) for the year	215,448	226,443
Changes in non-monetary items	1,524,085	2,712,838
Change in mathematical reserves and other technical reserves (Life business)	1,452,515	1,646,713
Change in provisions	6,222	8,222
Non-monetary income (losses) on financial instruments, investment property and equity investments	65,348	1,057,903
Changes in receivables and payables arising out of operating activities	4,206	27,880
Changes in receivables and payables arising out of direct insurance and reinsurance operations	27,536	(2,535)
Changes in other receivables and payables	(23,330)	30,415
Income taxes paid	(35,330)	(19,414)
Net cash from monetary items relating to investment and financial activities	410,209	51,149
Liabilities on financial contracts issued by insurance companies	89,833	514,779
Amounts due to banks and banking customers	391,645	784,224
Loans to and receivables from banks and banking customers	(44,131)	(1,248,970)
Other financial instruments at fair value through profit or loss	(27,138)	1,116
NET CASH FLOWS FROM OPERATING ACTIVITIES	2,118,618	2,998,896
Net cash from investment property	15,291	10,364
Net cash from subsidiaries, associates and <i>joint ventures</i>	(4,752)	(5,031)
Net cash from loans and receivables	1,110	487
Net cash from held-to-maturity investments	168,448	3,400
Net cash from available-for-sale financial assets	(75,238)	(69,756)
Net cash from tangible and intangible assets	2,965	5,545
Other cash flows from investment activities	(2,175,174)	(2,955,496)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(2,067,350)	(3,010,487)
Net cash from equity instruments pertaining to the Group	6,669	84,141
Distribution of dividends pertaining to the Group	(83,604)	(101,540)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(76,935)	(17,399)
Effect of exchange rate changes on cash and cash equivalents	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	522,869	432,658
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(25,667)	(28,990)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	497,202	403,668

MEDIOLANUM S.p.A.

**Notes
to the consolidated
financial
statements**

Notes to the consolidated financial statements

ACCOUNTING BASIS AND SCOPE OF CONSOLIDATION

The report for the quarter ended September 30, 2006 was prepared applying the international accounting standards as set out in article 82 of Consob Regulation No. 11971 of May 14, 1999, as subsequently amended by Consob Regulation No.14990 of April 14, 2005, and in accordance with the requirements set out in Annex 3D of said Regulation.

The accounting standards and policies as well as the scope and method of consolidation applied in the preparation of the third quarter accounts are consistent with those applied in the preparation of the consolidated financial statements for the year 2005.

● Accounting Basis

The third quarter report consists of the Balance Sheet, the Income Statement, the Statement of Changes in Shareholders' Equity, the Statement of Cash Flows and Explanatory Notes in addition to the Directors' Report.

The report for the quarter ended September 30, 2006 was prepared using the formats indicated in the "Instructions for the preparation of IFRS consolidated accounts" issued by ISVAP under Regulation No. 2404 of December 22, 2005, exercising its authority pursuant to art. 9 of Legislative Decree No. 38/2005.

In accordance with art. 5 of Legislative Decree No. 38 of February 28, 2005 the report was prepared using the euro as reporting currency.

Except where otherwise stated the amounts set out in this report are presented in thousands of euro.

○ Use of estimates

The preparation of interim financial statements generally requires a greater use of estimation methods than annual financial statements in relation to certain items of assets and liabilities as well as certain effects on income of measurement processes. That does not affect the reliability of the financial statements.

● Scope of consolidation

The consolidated accounts include the accounts of Mediolanum S.p.A. and those of its directly or indirectly controlled subsidiaries, including subsidiaries whose business activities are dissimilar from those of the Parent Company, as expressly required by the international accounting standards.

The subsidiaries which are consolidated on a line-by-line basis in accordance with the international accounting standards are set out in the table below.

Group companies owned directly by Mediolanum S.p.A. and consolidated on line-by-line basis:

€/000 Company	Share capital	% holding	Registered office	Business
Mediolanum Vita S.p.A.	87,720	100.00	Basiglio	Life insurance
Partner Time S.p.A.	520	100.00	Basiglio	Life insurance distribution
Mediolanum Comunicazione S.p.A.	775	100.00	Basiglio	Audio/film/TV production
PI Distribuzione S.p.A.	517	100.00	Basiglio	Real estate brokerage
Alboran S.p.A.	1,500	100.00	Cologno M.	Audio/film/TV production
Mediolanum International Life Ltd	1,395	100.00	Dublin	Life insurance
Banca Mediolanum S.p.A.	371,000	100.00	Basiglio	Banking
Mediolanum Gestione Fondi SGR p.A.	5,165	49.00	Basiglio	Fund management
Mediolanum International Funds Ltd	150	49.00	Dublin	Fund management
Mediolanum Asset Management Ltd	150	49.00	Dublin	Asset management and advice

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 Distribuz.Finanz. S.p.A.	1,000	100.00	Basiglio	Financial brokerage
Mediolanum Gestione Fondi SGR p.A.	5,165	51.00	Basiglio	Fund management
Mediolanum International Funds Ltd	150	51.00	Dublin	Fund management
Mediolanum Asset Management Ltd	150	51.00	Dublin	Asset management and advice
Banco de Finanzas e Inversiones S.A.	66,032	100.00	Barcelona	Banking
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
Fibanc Faif S.A.	60	100.00	Barcelona	Financial advice
Mediolanum International S.A.	71,500	99.997	Luxembourg	Sub-holding company
Gamax Holding AG	5,618	100.00	Luxembourg	Sub-holding company
Gamax Management AG	125	100.00	Luxembourg	Fund management
Gamax Broker Pool AG	500	100.00	Munich	Fund distribution
Gamax Austria GmbH	40	100.00	Salzburg	Fund distribution
Bankhaus August Lenz & Co. AG	20,000	100.00	Munich	Banking

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

€/000 Company	Share capital	% holding	Registered office	Business
Banca Esperia S.p.A.	13,000	48.50	Milan	Banking

Q3 MAIN INCOME STATEMENT DATA

● TECHNICAL ACCOUNT - LIFE INSURANCE

Analysis of the account at September 30, 2006

€/000	Gross	Reinsurance	Net
Gross premiums written less reinsurance premiums			
- Premiums written	2,299,879	(3,847)	2,296,032
Total premiums written	2,299,879	(3,847)	2,296,032
Gross amounts paid less recoveries from reinsurers			
- Amounts paid	(867,794)	7,575	(860,219)
- Change in reserve for outstanding claims	(3,410)	(733)	(4,143)
- Change in mathematical reserves	(25,148)	(1,712)	(26,860)
- Change in other technical reserves	(1,815)	-	(1,815)
- Change in technical reserves for contracts under which the investment risk is borne by the policyholder and reserves relating to pension fund management	(1,433,450)	-	(1,433,450)
Total amounts paid and change in technical reserves	(2,331,617)	5,130	(2,326,487)
Life Insurance net income (expense)	(31,738)	1,283	(30,455)

Analysis of the account at September 30, 2005

€/000	Gross	Reinsurance	Net
Gross premiums written less reinsurance premiums			
- Premiums written	1,822,692	(4,152)	1,818,540
Total premiums written	1,822,692	(4,152)	1,818,540
Gross amounts paid less recoveries from reinsurers			
- Amounts paid	(968,953)	8,220	(960,733)
- Change in reserve for outstanding claims	(5,125)	(210)	(5,335)
- Change in mathematical reserves	13,389	(2,557)	10,832
- Change in other technical reserves	5,371	-	5,371
- Change in technical reserves for contracts under which the investment risk is borne by the policyholder and reserves relating to pension fund management	(1,652,684)	-	(1,652,684)
Total amounts paid and change in technical reserves	(2,608,002)	5,453	(2,602,549)
Life Insurance net income (expense)	(785,310)	1,301	(784,009)

Q3 2006

€/000	Gross	Reinsurance	Net
Gross premiums written less reinsurance premiums			
- Premiums written	644,789	(1,216)	643,573
Total premiums written	644,789	(1,216)	643,573
Gross amounts paid less recoveries from reinsurers			
- Amounts paid	(230,217)	2,054	(228,163)
- Change in reserve for outstanding claims	(7,321)	89	(7,232)
- Change in mathematical reserves	(11,022)	(606)	(11,628)
- Change in other technical reserves	(1,554)	-	(1,554)
- Change in technical reserves for contracts under which the investment risk is borne by the policyholder and reserves relating to pension fund management	(751,619)	-	(751,619)
Total amounts paid and change in technical reserves	(1,001,733)	1,537	(1,000,196)
Life Insurance net income (expense)	(356,944)	321	(356,623)

Q3 2005

€/000	Gross	Reinsurance	Net
Gross premiums written less reinsurance premiums			
- Premiums written	557,846	(1,292)	556,554
Total premiums written	557,846	(1,292)	556,554
Gross amounts paid less recoveries from reinsurers			
- Amounts paid	(381,445)	1,667	(379,778)
- Change in reserve for outstanding claims	574	(117)	457
- Change in mathematical reserves	(9,841)	257	(9,584)
- Change in other technical reserves	10,025	-	10,025
- Change in technical reserves for contracts under which the investment risk is borne by the policyholder and reserves relating to pension fund management	(450,672)	-	(450,672)
Total amounts paid and change in technical reserves	(831,359)	1,807	(829,552)
Life Insurance net income (expense)	(273,513)	515	(272,998)

● COMMISSION INCOME

€/000	3Q 2006	3Q 2005	Sept. 30, 06	Sept. 30, 05
Management, brokerage and consulting services	116,362	131,123	364,264	351,231
Collection and payment services	8,990	6,639	26,783	19,470
Loadings on investment contracts	4,972	5,310	17,758	11,874
Other services	5,873	3,480	18,309	16,514
Total	136,197	146,552	427,114	399,089

● COMMISSION EXPENSE

€/000	3Q 2006	3Q 2005	Sept. 30, 06	Sept. 30, 05
Management, brokerage and consulting services	32,939	33,873	114,282	91,309
Collection and payment services	7,654	4,894	21,204	14,172
Commissions on the acquisition of investment contracts	1,892	2,368	6,131	3,565
Other services	4,715	2,725	19,584	13,978
Total	47,200	43,860	161,201	123,024

● NET INCOME FROM FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

€/000	3Q 2006	3Q 2005	Sept. 30, 06	Sept. 30, 05
Financial assets				
Interest income and other investment income:				
- from financial assets held for trading	13,663	9,731	40,970	30,873
- from financial assets at fair value through profit or loss	38,112	52,680	137,556	132,083
Net income from financial assets held for trading	8,407	(1,161)	(2,422)	11,251
Net income from financial assets at fair value through profit or loss	373,936	330,794	29,210	906,461
Financial liabilities				
Interest expense and similar charges:				
- on financial liabilities at fair value through profit or loss	(11,588)	(17,068)	(39,660)	(36,493)
Net loss on financial liabilities at fair value through profit or loss	(8,080)	(61,597)	32,249	(114,085)
Total	414,450	313,379	197,903	930,090

Analysis of net income from financial assets held for trading

€/000	Unrealised gains (A)	Realised trading profits (B)	Unrealised losses (C)	Realised losses (D)	Net income [(A+B)-(C+D)]
Financial assets held for trading					
Debt securities	4,263	31,846	(9,884)	(32,015)	(5,790)
Equities	-	-	-	-	-
Holdings in UCITS	486	-	(376)	-	110
Other financial assets and liabilities					
Exchange differences	-	165	-	-	165
Derivatives					
Financial derivatives:					
- debt securities and interest rates	1,170	58,643	-	(55,473)	4,340
- equities and stock indices	-	-	-	-	-
- other	10,770	983	(11,919)	(1,081)	(1,247)
Total	16,689	91,637	(22,179)	(88,569)	(2,422)

Analysis of net income from financial assets through profit or loss

€/000	Unrealised gains (A)	Realised trading profits (B)	Unrealised losses (C)	Realised losses (D)	Net income [(A+B)-(C+D)]
Financial assets at fair value	432,515	19,890	(376,167)	(47,028)	29,210

● INVESTMENT INCOME AND EXPENSE

€/000	3Q 2006	3Q 2005	Sept. 30, 06	Sept. 30, 05
Interest income and other income	52,423	35,803	127,001	98,554
Realised gains	144	380	10,657	13,513
Unrealised gains	416	3,376	3,038	7,234
Total income	52,983	39,559	140,696	119,301
Interest expense and other charges	(24,576)	(19,095)	(63,511)	(55,968)
Realised losses	(27)	(22)	(118)	(55)
Unrealised losses	(6,770)	(2,833)	(9,869)	(8,368)
Total expense	(31,373)	(21,950)	(73,498)	(64,391)
Total net investment income	21,610	17,609	67,198	54,910

Net investment income from:

Investment property	(83)	58	7,072	6,248
Available-for-sale financial assets	5,022	5,584	14,881	16,608
Held-to-maturity investments	10,412	4,499	26,397	20,157
Loans and receivables	30,678	26,120	81,586	66,529
Financial liabilities	(24,419)	(18,652)	(62,738)	(54,632)
Total net investment income	21,610	17,609	67,198	54,910

Investment property

€/000	3Q 2006	3Q 2005	Sept. 30, 06	Sept. 30, 05
Realised gains	-	197	7,673	6,805
Other income	76	276	174	751
Other expenses	(159)	(415)	(775)	(1,308)
Total	(83)	58	7,072	6,248

Held-to-maturity investments

€/000	3Q 2006	3Q 2005	Sept. 30, 06	Sept. 30, 05
Interest income and other income	5,022	5,584	14,881	16,608
Total	5,022	5,584	14,881	16,608

Available-for-sale financial assets

€/000	3Q 2006	3Q 2005	Sept. 30, 06	Sept. 30, 05
Interest income and other income	16,223	4,337	29,448	13,660
Realised gains	144	157	2,984	6,525
Realised losses	(27)	33	(107)	-
Impairment losses	(5,928)	(28)	(5,928)	(28)
Total	10,412	4,499	26,397	20,157

Loans and receivables

€/000	3Q 2006	3Q 2005	Sept. 30, 06	Sept. 30, 05
Interest income and other income	31,104	25,579	82,500	67,508
Realised gains	-	26	-	183
Unrealised gains	416	3,376	3,038	7,234
Realised losses	(842)	(2,806)	(3,941)	(8,341)
Unrealised losses	-	(55)	(11)	(55)
Total	30,678	26,120	81,586	66,529

Interest income and other income

€/000	3Q 2006	3Q 2005	Sept. 30, 06	Sept. 30, 05
Loans to banks	18,832	16,660	49,304	43,274
Loans to customers	12,221	8,629	32,712	23,944
Other	51	290	484	290
Total	31,104	25,579	82,500	67,508

Financial liabilities

€/000	3Q 2006	3Q 2005	Sept. 30, 06	Sept. 30, 05
Interest expense and other charges	(24,419)	(18,652)	(62,738)	(54,632)
Total	(24,419)	(18,652)	(62,738)	(54,632)

● OPERATING EXPENSES

€/000	3Q 2006	3Q 2005	Sept. 30, 06	Sept. 30, 05
Commissions and other expenses relating to the acquisition of insurance contracts	23,900	20,534	86,266	67,447
Investment management expenses	130	119	349	337
Other administrative expenses				
Employees	24,158	20,322	80,444	67,697
Advertising and promotions	3,307	3,007	11,950	14,067
Advisory services and collaborations	6,152	9,327	18,334	20,980
IT systems	6,687	3,281	20,407	16,819
Miscellaneous communications services	4,204	4,147	12,733	11,602
Other general expenses	12,554	14,538	33,059	37,377
Total other administrative expenses	57,062	54,622	176,927	168,542
Total	81,092	75,275	263,542	236,326

● OTHER EXPENSES

€/000	3Q 2006	3Q 2005	Sept. 30, 06	Sept. 30, 05
Employees	924	690	2,900	2,437
Amortisation of intangible assets	4,508	3,952	11,597	10,604
Depreciation of investment property and other assets	1,815	1,384	5,678	6,022
Provisions for risks and charges	4,385	7,017	10,349	10,658
Other miscellaneous expenses	6,413	2,957	13,725	11,225
Total	18,045	16,000	44,249	40,946

MAIN BALANCE SHEET DATA

ASSETS

● INTANGIBLE ASSETS

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Goodwill	162,414	162,414	162,414
Other intangible assets	26,060	24,685	25,516
Total	188,474	187,099	187,930

In accordance with IAS 36 goodwill is not amortised but tested for impairment at least annually. To that end goodwill is allocated to a cash-generating unit (CGU) which is not larger than a business segment based on the primary reporting format determined in accordance with IAS 14.

The smallest CGU was identified to be the individual company which always coincides with a single business segment.

The carrying amounts of goodwill as allocated to the individual cash-generating units are as follows:

€/000	Sept. 30, 06
CGU Fibanc	122,809
CGU Gamax	31,501
Other CGU	8,104
Total	162,414

Analysis of intangible assets

€/000	Sept. 30, 06		June 30, 06		Dec. 31, 05	
	Finite life	Indefinite life	Finite life	Indefinite life	Finite life	Indefinite life
Goodwill						
- Group		162,414	-	162,414	-	162,414
- Minorities	-	-	-	-	-	-
Other intangible assets						
Measured at cost:						
- Internally generated intangible assets	-	-	-	-	-	-
- Other intangible assets	26,060	-	24,685	-	25,516	-
Total	-	-	-	-	-	-
Total	26,060	162,414	24,685	162,414	25,516	162,414

● TANGIBLE ASSETS

○ Property

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Land	20,100	20,100	21,020
Buildings	37,749	37,999	38,811
Total	57,849	58,099	59,831

○ Other tangible assets

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Furnishings	2,686	2,734	2,372
Electronic equipment	9,805	9,777	10,981
Other	3,217	3,277	3,882
Total	15,708	15,788	17,235

● ANALYSIS OF REINSURERS' SHARE OF TECHNICAL RESERVES

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Life business reserves			
Mathematical reserves	102,658	103,265	104,369
Reserve for outstanding claims	635	546	1,368
Total reinsurers' share of Life technical reserves	103,293	103,811	105,737

● INVESTMENTS

○ Investment property

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Land	5,454	5,454	16,738
Buildings	1,531	1,543	5,538
Total	6,985	6,997	22,276

At September 30, 2006 the market value of investment property was €12,009 thousand.

○ Investments in subsidiaries, associates and joint ventures

Investments in associates amounted to €34,106 thousand and relate to the 48.5% shareholding in Banca Esperia S.p.A., which is accounted for under the equity method.

○ Held-to-maturity investments

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Debt securities	565,232	566,965	733,680
Total	565,232	566,965	733,680

At September 30, 2006 the fair value of held-to-maturity investments was €573,764 thousand.

The time to maturity of held-to-maturity investments is set out in the table below:

€/000	Sept. 30, 06
Time to maturity	
1-5 years	345,818
5-10 years	90,637
Over 10 years	128,777
Held-to-maturity investments	565,232

○ Loans and receivables

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Banks	2,068,208	2,114,060	2,374,028
Banking customers	1,305,400	1,002,111	955,449
Other	11,808	12,032	12,915
Total	3,385,416	3,128,203	3,342,392

Loans and receivables: banks

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Deposits with Central Banks			
- for reserve requirements	6,376	8,101	7,283
Loans to banks			
- time deposits	1,762,331	1,797,262	2,211,011
- other loans	299,501	308,697	155,734
Total	2,068,208	2,114,060	2,374,028

Loans and receivables: banking customers

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Current accounts	215,616	186,962	166,204
Repurchase agreements	303,872	54,214	43,565
Mortgage loans	296,068	259,013	186,651
Credit cards, personal loans and salary-guaranteed loans	78,908	85,700	73,844
Finance leases	1,664	1,741	2,244
Other	389,753	394,775	457,870
Impaired assets	19,519	19,706	25,071
Total	1,305,400	1,002,111	955,449

○ Available-for-sale financial assets

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Debt securities	468,317	487,546	545,194
Equities	321,326	303,610	292,358
Holdings in UCITS	130,761	95,597	7,614
Total	920,404	886,753	845,166

○ Financial assets at fair value through profit or loss

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Financial assets held for trading			
Debt securities	2,417,975	2,470,560	1,435,293
Equities	489	1,086	9
Holdings in UCITS	55,632	61,853	58,737
Trading derivatives	14,344	20,814	10,605
Total financial assets held for trading	2,488,440	2,554,313	1,504,644
Financial assets at fair value			
Debt securities	5,415,859	5,135,722	5,056,353
Holdings in UCITS	6,875,997	6,376,900	6,082,335
Total financial assets at fair value	12,291,856	11,512,622	11,138,688
Total financial assets at fair value through profit or loss	14,780,296	14,066,935	12,643,332

Financial assets held for trading: trading derivatives

€/000	Interest rate	Currencies and gold	Other	Sept. 30, 06	June 30, 06	Dec. 31, 05
Listed derivatives						
<i>Financial derivatives</i>						
• Without exchange of principal						
- Options purchased	3,921	-	4,220	8,141	14,170	4,714
- Other derivatives	(113)	-	-	(113)	(137)	(103)
Total listed derivatives	3,808	-	4,220	8,028	14,033	4,611
Unlisted derivatives						
<i>Financial derivatives</i>						
• With exchange of principal						
- Other derivatives	-	4,304	152	4,456	3,928	2,926
• Without exchange of principal						
- Options purchased	-	-	479	479	218	766
- Other derivatives	1,381	-	-	1,381	2,635	2,302
Total unlisted derivatives	1,381	4,304	631	6,316	6,781	5,994
Total derivatives	5,189	4,304	4,851	14,344	20,814	10,605

● ANALYSIS OF OTHER ASSETS

○ Other Assets

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Due from tax authorities	19,449	19,626	35,165
Investment contracts Deferred Acquisition Costs (DAC)	12,114	14,353	18,053
Items in transit relating to lending	84,472	148,985	81,836
Security deposits	17,502	16,588	16,665
Other	55,715	84,400	55,615
Total	189,252	283,952	207,334

SHAREHOLDERS' EQUITY AND LIABILITIES

● SHAREHOLDERS' EQUITY

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Share capital	72,881	72,840	72,738
Capital reserves	52,475	51,033	50,358
Retained earnings and other equity reserves	501,053	500,813	349,518
Treasury shares	(2,045)	(2,045)	(2,045)
Gains (losses) on available-for-sale financial assets	106,690	80,412	104,105
Group's profit (loss) for the year	166,356	105,519	233,312
Group's capital and reserves	897,410	808,572	807,986

Share capital is fully paid up and amounts to €72,881,273.70 divided into 728,812,737 shares.

Please note that there are no equity holders other than the Group. For information on movements in the period readers are referred to the Statement of Changes in Shareholders' Equity herein.

○ Gains (losses) on available-for-sale financial assets

€/000	Sept. 30, 06		June 30, 06		Dec. 31, 05	
	Gains	Losses	Gains	Losses	Gains	Losses
Debt securities	533	(3,363)	324	(7,043)	1,637	(585)
Equities	109,936	(2)	88,112	(981)	103,053	-
Holdings in UCITS	-	(414)	-	-	-	-
Totale	110,469	(3,779)	88,436	(8,024)	104,690	(585)

● PROVISIONS

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Provision for tax claims	2,141	2,124	2,028
Other provisions	61,503	57,887	55,394
Total	63,644	60,011	57,422

Analysis of other provisions

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Provision for other completion-of-service entitlements and similar obligations	842	836	1,754
Provision for sales network benefits	35,168	31,950	28,909
Provision for risks related to sales network's illegal actions	15,623	15,018	14,693
Other provisions for risks and charges	9,870	10,083	10,038
Total	61,503	57,887	55,394

● TECHNICAL RESERVES

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Mathematical reserves	1,222,368	1,210,453	1,181,661
Reserve for outstanding claims	55,807	50,086	56,419
Technical reserves for contracts under which the investment risk is borne by the policyholder and in connection with pension fund management	11,336,920	10,590,242	9,917,893
Other reserves	36,358	34,813	45,409
of which for deferred liabilities to policyholders	-	-	10,607
Total	12,651,453	11,885,594	11,201,382

● FINANCIAL LIABILITIES

○ Financial liabilities at fair value through profit or loss

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Financial liabilities held for trading			
Short positions on debt securities	446,281	286,636	55,610
Trading derivatives	34,393	35,506	42,939
Other financial liabilities	912	444	821
Total Financial liabilities held for trading	481,586	322,586	99,370
Financial liabilities at fair value through profit or loss			
Liabilities arising on financial contracts issued by insurance companies:			
– under which the investment risk is borne by the policyholder	997,934	995,841	1,292,367
– in connection with pension fund management	10,005	9,023	7,955
Total financial liabilities at fair value through profit or loss	1,007,939	1,004,864	1,300,322
Total financial liabilities at fair value through profit or loss	1,489,525	1,327,450	1,399,692

Financial liabilities held for trading: trading derivatives

€/000	Interest rate	Currencies and gold	Equities	Other	Sept. 30, 06	June 30, 06	Dec. 31, 05
Listed derivatives							
<i>Financial derivatives</i>							
• Without exchange of principal							
- Options issued	-	-	-	132	132	-	-
- Other derivatives	32,210	-	-	-	32,210	32,108	36,174
Total listed derivatives	32,210	-	-	132	32,342	32,108	36,174
Unlisted derivatives							
<i>Financial derivatives</i>							
• With exchange of principal							
- Other derivatives	-	498	-	-	498	877	3,336
• Without exchange of principal							
- Options issued	-	-	245	-	245	110	524
- Other derivatives	1,308	-	-	-	1,308	2,411	2,905
Total unlisted derivatives	1,308	498	245	-	2,051	3,398	6,765
Total derivatives	33,518	498	245	132	34,393	35,506	42,939

Other financial liabilities

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Banks	1,136,856	1,414,321	1,148,403
Banking customers	4,123,464	3,801,165	3,718,562
Reinsurers' deposits	102,640	103,246	104,350
Total	5,362,960	5,318,732	4,971,315

Financial liabilities: Banks

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Central Banks	350,000	854,508	511,080
Other banks			
- Current accounts and demand deposits	122,486	80,183	47,638
- Time deposits	397,792	254,315	204,895
- Loans	265,880	225,141	384,706
- Other liabilities	698	174	84
Total	1,136,856	1,414,321	1,148,403

Financial liabilities: Banking customers

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Current accounts	3,398,347	3,404,098	3,381,651
Loans	517,418	203,576	161,757
Liabilities for assets that were sold but not derecognised (Repurchase agreements)	145,487	127,267	108,870
Other liabilities	62,212	66,224	66,284
Total	4,123,464	3,801,165	3,718,562

PAYABLES**Other payables**

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Employee completion-of-service entitlements	14,522	14,318	13,410
Payables to suppliers	85,736	87,962	100,885
Due to tax authorities	15,980	24,350	45,700
Other payables	68,012	57,314	48,351
Total	184,250	183,944	208,346

OTHER LIABILITIES**Other liabilities**

€/000	Sept. 30, 06	June 30, 06	Dec. 31, 05
Deferred liabilities relating to investment contracts (DIR)	27,200	32,023	44,488
Items in transit relating to lending	92,742	122,609	74,330
Other	30,356	26,155	56,392
Total	150,298	180,787	175,210

MEDIOLANUM S.p.A.

Other information

OTHER INFORMATION

● Reconciliation of the parent company's shareholders' equity to consolidated shareholders' equity

€/000	Capital and reserves	Net profit	Shareholders' equity
Parent Company's accounts at September 30, 2006	405,231	112,719	517,950
Successive changes in carrying amount and equity of companies consolidated on a line-by-line basis	167,123	205,930	373,053
Differences on investments accounted for by the equity method	5,342	4,753	10,095
Intercompany dividends	158,016	(158,016)	-
Elimination of intercompany transactions effects	(874)	(66)	(940)
Amortisation of greater value attributed to property on the date of acquisition of investments consolidated on a line-by-line basis	(810)	(117)	(927)
Other	(2,974)	1,153	(1,821)
Consolidated accounts at September 30, 2006	731,054	166,356	897,410

● Post Balance Sheet Date Events

On October 27, 2006, a 2006 interim dividend was distributed by the subsidiaries Mediolanum International Funds Ltd (€100 million), Mediolanum Asset Management Ltd (€7 million) and Mediolanum International Life Ltd (€6 million). After September 30, 2006 there were no other events which could have a material impact on the financial position, result of operations and cash flows of the Group.

● Outlook

In the light of results recorded in the first nine months of 2006, the outlook for the current year is positive.

MEDIOLANUM S.p.A.

2006

**Interim
Dividend**

Directors' Report pursuant to art. 2433 - bis Italian Civil Code

This report was prepared for the purpose of voting on the distribution of a 2006 interim dividend in accordance with art. 2433 - bis of the Italian Civil Code.

Mediolanum S.p.A. meets all the requirements of said article of the Italian Civil Code for the distribution of an interim dividend for the current year, specifically:

- as required by the law, the company's financial statements are audited by independent auditors, namely Reconta Ernst & Young S.p.A;
- article 31 of the company's Bylaws allows the distribution of interim dividends;
- in their report, the independent auditors stated their positive opinion on the 2005 annual financial statements;
- no losses were reported by the company in its financial statements neither for financial year ended December 31, 2005, nor for previous financial years.

Article 2433-bis, paragraph 4, of the Italian Civil Code requires that interim dividends do not exceed the lower of the net profit earned since the end of the prior year less the amount that under the Bylaws or regulatory requirements is to be appropriated to reserves, and distributable reserves.

As disclosed in the section "Financial position, result of operations and cash-flows of Mediolanum S.p.A. and of the Mediolanum Group" below, in assessing the limit above, the aggregate €58,430 thousand dividend received from the subsidiaries Mediolanum International Funds Ltd, Mediolanum International Life Ltd and Mediolanum Asset Management Ltd on October 27, 2006 was added to net profit at September 30, 2006 as reported in the 2006 third quarter report.

The assessment of the limit above was based on the following financial data:

€/000

Mediolanum S.p.A. - Net profit at September 30, 2006	
as reported in the 2006 Third Quarter Report	112,719
2006 Interim dividend after tax (received)	57,466
Pro forma net profit (a)	170,185
Net profit to be appropriated to the Legal Reserve (b)^(*)	-
Distributable pro forma net profit (a-b)	170,185

€/000

Distributable reserves at September 30, 2006	
Equity reserves (Share Premium Account)	50,431
Retained earnings (Extraordinary Reserve - FTA Reserve)	153,737
Distributable reserves at September 30, 2006	204,168
Distributable Interim Dividend	170,185

(*) The Legal Reserve is fully provided and no other reserve is required under the Bylaws.

Therefore, the 2006 interim dividend shall not exceed €170,185 thousand.

The calculation of the proposed interim dividend was based on the balance sheet, income statement and cash flow statement of Mediolanum S.p.A. at September 30, 2006 prepared in accordance with international accounting and reporting standards IAS/IFRS. Those accounting and reporting standards have been applied by the Company since January 1, 2005 and will therefore be applied also in the preparation of the company's 2006 annual financial statements.

In consideration of the foregoing and in the light of the information set out in the section "Financial position, result of operations and cash-flows of Mediolanum S.p.A. and of the Mediolanum Group" below, the Board of Directors recommends the distribution of an interim dividend of 8.5 eurocents per share outstanding on November 20, 2006 (the ex-dividend date), except for treasury shares held after the close of business on November 17, 2006.

Considering the number of shares outstanding at present, the total interim dividend amounts to €61,949,082.65 euro.

● Financial position, result of operations and cash-flows of Mediolanum S.p.A. and of the Mediolanum Group

In accordance with art. 2433-bis, paragraph 5, of the Italian Civil Code, Mediolanum S.p.A. prepared pro forma accounts applying the same accounting standards and policies adopted in the preparation of the third quarter report at September 30, 2006. In the pro forma accounts the interim dividend received from subsidiaries on October 27, 2006 was added to net profit as reported at September 30, 2006. After September 30, 2006 there were no other events which had a material impact on the financial position, result of operations and cash-flows of the Company. The pro forma accounts show pro forma net profit of €170,185 thousand.

The pro forma net cash at September 30, 2006 (which includes exclusively the aforesaid interim dividend received from subsidiaries) is as follows:

€/000	
Net cash at September 30, 2006	24,085
Interim dividend received	58,430
Pro forma net cash	82,515

Considering that Mediolanum S.p.A. is a Holding Company, readers are referred to the Third Quarter Report at September 30, 2006, as approved by the Board of Directors today, for full details on the performance of the Mediolanum Group in the period.

The strength of Mediolanum S.p.A. and of the Mediolanum Group, as indicated by their financial position and result of operations as reported in the 2006 Third Quarter Report, as of today enables the distribution of an interim dividend. The Company and the Group it heads are expected to report further earnings growth for the full year 2006.

● Independent auditors' opinion

The independent auditors Reconta Ernst & Young S.p.A. (the auditors responsible for auditing the company's accounts under art. 155 of Legislative Decree No. 58 of February 24, 1998) expressed their opinion on this report and the accounts attached hereto pursuant to article 2433-bis, paragraph 5, of the Italian Civil Code.

Pro Forma Balance Sheet

Assets

Euro	Sept. 30, 2006 ^(*)	Dividend received	Pro Forma
Non current assets			
Receivables from shareholders for unpaid calls	-	-	-
Fixed assets			
Intangible assets	189,095	-	189,095
Tangible assets	362,571	-	362,571
Investments in subsidiaries and associates	550,841,459	-	550,841,459
Available-for-sale financial assets	310,389,955	-	310,389,955
Total Non current assets	861,783,080	-	861,783,080
Current assets			
Current assets			
Subsidiaries	22,478,754	-	22,478,754
Related parties	230,798	-	230,798
Others	15,475,609	-	15,475,609
Total Receivables	38,185,161	-	38,185,161
Cash and cash equivalents			
Bank deposits	24,085,278	58,430,000	82,515,278
Cash	11,855	-	11,855
Total Cash and cash equivalents	24,097,133	58,430,000	82,527,133
Tax Assets			
Current	4,677,230	-	4,677,230
Deferred	3,419,974	-	3,419,974
Total Tax Assets	8,097,204	-	8,097,204
Other assets	143,970	-	143,970
Total Current assets	70,523,468	58,430,000	128,953,468
TOTAL ASSETS	932,306,548	58,430,000	990,736,548

(*) Accounts at September 30, 2006 included in the Group's Quarterly Report at September 30, 2006.

Shareholders' equity and liabilities

Euro	Sept. 30, 2006 ^(*)	Dividend received	Pro Forma
Shareholders' equity and liabilities			
Capital and reserves			
Share capital	72,881,274	-	72,881,274
Treasury shares	(2,045,116)	-	(2,045,116)
Share premium account	50,430,698	-	50,430,698
Retained earnings	174,393,666	-	174,393,666
Valuation reserve for AFS financial instruments	109,570,452	-	109,570,452
Net profit (loss) for the period	112,718,905	57,465,905	170,184,810
Total Capital and reserves	517,949,879	57,465,905	575,415,784
Non current liabilities			
Completion-of-service entitlements	1,612,356	-	1,612,356
Total Non current liabilities	1,612,356	-	1,612,356
Liabilities			
Current liabilities			
Due to banks	226,135,419	-	226,135,419
Other financial liabilities at amortised cost	118,620,518	-	118,620,518
Due to suppliers	832,335	-	832,335
Other payables	50,632,732	-	50,632,732
Tax liabilities			
Current	5,319,636	-	5,319,636
Deferred	6,107,812	964,095	6,107,812
Other liabilities	5,095,861	-	5,095,861
Current liabilities	412,744,313	964,095	413,708,408
TOTAL LIABILITIES	414,356,669	964,095	415,320,764
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	932,306,548	58,430,000	990,736,548

(*) Accounts at September 30, 2006 included in the Group's Quarterly Report at September 30, 2006.

Pro Forma Income Statement

Euro	Sept. 30, 2006 ^(*)	Dividend received	Pro Forma
Commission income	124,733,018	-	124,733,018
Commission expense			
acquisition of insurance contracts	(122,059,746)	-	(122,059,746)
other	(34,997)	-	(34,997)
Interest income and similar income	989,673	-	989,673
Interest expense and similar charges	(7,503,752)	-	(7,503,752)
Gains/losses from trading	1,416	-	1,416
Income from equity investments			
dividends from subsidiaries	117,481,038	58,430,000	175,911,038
gains on sale of equity investments	69,706	-	69,706
Income from other financial instruments			
Dividends from available-for-sale financial assets	16,144,406	-	16,144,406
Impairment losses			
on equity investments	(5,927,819)	-	(5,927,819)
Other income	553,041	-	553,041
Staff costs	(5,029,403)	-	(5,029,403)
Other administrative expenses	(5,310,665)	-	(5,310,665)
Other expenses	(4,239,500)	-	(4,239,500)
Amortisation and depreciation			
intangible assets	(195,930)	-	(195,930)
tangible assets	(254,967)	-	(254,967)
Tax expense			
Current	-	-	-
Deferred	3,303,386	(964,095)	2,339,291
Total tax expense	3,303,386	(964,095)	2,339,291
NET PROFIT (LOSS) FOR THE PERIOD	112,718,905	57,465,905	170,184,810

(*) Accounts at September 30, 2006 included in the Group's Quarterly Report at September 30, 2006.

Basiglio, November 9, 2006

For the Board of Directors
The Chairman
(Roberto Ruozi)

MEDIOLANUM S.p.A.

SCHEDULES

**Parent
Company's
Accounts**

Balance Sheet

Assets

Euro	Sept. 30, 2006	Dec. 31, 2005
Non current assets		
Receivables from shareholders for unpaid calls	-	-
Fixed assets		
Intangible assets	189,095	342,120
Tangible assets	362,571	608,201
Investments in subsidiaries and associates	520,841,459	520,841,459
Available-for-sale financial assets	310,389,955	288,823,821
Total Non current assets	861,783,080	810,615,601
Current assets		
Current assets		
Subsidiaries	22,478,754	32,600,122
Related parties	230,798	634,409
Others	15,475,609	15,413,438
Total Receivables	38,185,161	48,647,969
Cash and cash equivalents		
Bank deposits	24,085,278	13,865,624
Cash	11,855	7,824
Total Cash and cash equivalents	24,097,133	13,873,448
Tax Assets		
Current	4,677,230	48,532,677
Deferred	3,419,974	116,588
Total Tax Assets	8,097,204	48,649,265
Other assets	143,970	77,063
Total Current assets	70,523,468	111,247,745
TOTAL ASSETS	932,306,548	921,863,346

Shareholders' equity and liabilities

Euro	Sept. 30, 2006	Dec. 31, 2005
Shareholders' equity and liabilities		
Capital and reserves		
Share capital	72,881,274	72,737,993
Treasury shares	(2,045,116)	(2,045,116)
Share premium account	50,430,698	48,313,300
Retained earnings	174,393,666	65,893,705
Valuation reserve for AFS financial instruments	109,570,452	102,948,811
Net profit (loss) for the period	112,718,905	191,564,883
Total Capital and reserves	517,949,879	479,413,576
Non current liabilities		
Completion-of-service entitlements	1,612,356	1,638,224
Total Non current liabilities	1,612,356	1,638,224
Liabilities		
Current liabilities		
Due to banks	226,135,419	226,731,742
Other financial liabilities at amortised cost	118,620,518	113,620,518
Due to suppliers	832,335	1,660,140
Other payables	50,632,732	42,426,242
Tax liabilities		
Current	5,319,636	50,117,592
Deferred	6,107,812	5,738,701
Other liabilities	5,095,861	516,611
Current liabilities	412,744,313	440,811,546
TOTAL LIABILITIES	414,356,669	442,449,770
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	932,306,548	921,863,346

Income Statement

Euro	Sept. 30, 2006	Sept. 30, 2005
Commission income	124,733,018	129,857,389
Commission expense		
Acquisition of insurance contracts	(122,059,746)	(116,291,422)
Other	(34,997)	(21,644)
Interest income and similar income	989,673	1,042,682
Interest expense and similar charges	(7,503,752)	(6,786,209)
Gains/losses from trading	1,416	(255)
Income from equity investments		
Dividends from subsidiaries	117,481,038	124,040,868
Gains on sale of equity investments	69,706	89,944
Income from other financial instruments		
Dividends from available-for-sale financial assets	16,144,406	375,105
Gains from available-for-sale financial assets	-	20,516
Impairment losses		
on equity investments	(5,927,819)	(500,000)
Other income	553,041	557,511
Staff costs	(5,029,403)	(4,591,308)
Other administrative expenses	(5,310,665)	(4,739,817)
Other expenses	(4,239,500)	-
Amortisation and depreciation		
Intangible assets	(195,930)	(247,480)
Tangible assets	(254,967)	(418,225)
Tax expense		
Current	-	(1,203,598)
Deferred	3,303,386	9,169
Total tax expense	3,303,386	(1,194,429)
NET PROFIT (LOSS) FOR THE PERIOD	112,718,905	121,193,226

Cash flow statement

Indirect method

€/000	Sept. 30, 2006	Sept. 30, 2005
Profit (loss) before tax for the period	109,416	122,387
Changes in non-monetary items		
Completion-of-service entitlements	(26)	10
Amortisation and depreciation	451	665
Stock Options	539	540
Changes in receivables and payables relating to operating activities		
Changes in other receivables and payables	29,334	(3,106)
Income tax paid	(7,922)	(78)
Net cash from monetary items relating to investment and financial activities	-	-
NET CASH FROM OPERATING ACTIVITIES	131,792	120,418
Net cash from subsidiaries, associates and joint ventures	(30,000)	541
Net cash from available-for-sale financial assets	(14,575)	(1,873)
Net cash from tangible and intangible assets	(52)	(18)
Other cash flows from investment activities	-	-
NET CASH FROM INVESTING ACTIVITIES	(44,627)	(1,350)
Net cash from equity instruments	2,260	2,501
Net cash from treasury shares	-	-
Distribution of dividends	(83,604)	(101,540)
Net cash from capital and reserves pertaining to minority interests	-	-
Net cash from subordinated liabilities	-	-
Net cash from other financial liabilities	4,403	(25,750)
NET CASH FROM FINANCING ACTIVITIES	(76,941)	(124,789)
Effect of exchange rate changes on cash and cash equivalents	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	13,873	17,041
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,224	(5,721)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	24,097	11,320

Statement of changes in shareholders' equity

Euro	Balance at Jan. 1, 2005	Appropriation of prior year's profit	
		Reserves	Dividends and other
Share capital	72,566,861	-	-
Share premium account	45,761,836	-	-
Reserves:			
a) retained earnings	113,233,841	13,698,592	
b) other	-	-	-
Valuation reserves:			
a) AFS fin. instruments	33,964,052	-	-
Treasury shares	(2,045,116)	-	-
Net profit (loss)	115,284,921	(13,698,592)	(101,539,704)
Shareholders' equity	378,766,395	-	(101,539,704)

Euro	Balance at Jan. 1, 2006	Appropriation of prior year's profit	
		Reserves	Dividends and other
Share capital	72,737,993	-	-
Share premium account	48,313,300	-	-
Reserves:			
a) retained earnings	65,893,705	107,960,466	
b) other	-	-	-
Valuation reserves:			
a) AFS fin. instruments	102,948,811	-	-
Treasury shares	(2,045,116)	-	-
Net profit (loss)	191,564,883	(107,960,466)	(83,604,417)
Shareholders' equity	479,413,576	-	(83,604,417)

Movements in the year							
Shareholders' Equity							
Change in reserves	Share issues	Purchase of treasury shares	Extraordinary dividend distribution	Change in equity instruments	Stock options	Net profit for the year Dec. 31, 2005	Shareholders' equity at Dec. 31, 2005
-	171,132	-	-	-	-	-	72,737,993
-	2,551,465	-	-	-	-	-	48,313,300
46,625	-	-	(61,794,569)	-	709,214	-	65,893,705
-	-	-	-	-	-	-	-
68,984,759	-	-	-	-	-	-	102,948,811
-	-	-	-	-	-	-	(2,045,116)
(46,625)	-	-	-	-	-	191,564,883	191,564,883
68,984,759	2,722,597	-	(61,794,569)	-	709,214	191,564,883	479,413,576

Movements in the year							
Shareholders' Equity							
Change in reserves	Share issues	Purchase of treasury shares	Extraordinary dividend distribution	Change in equity instruments	Stock options	Net profit for the year Sept. 30, 2006	Shareholders' equity at JSept. 30, 2006
-	143,281	-	-	-	-	-	72,881,274
-	2,117,398	-	-	-	-	-	50,430,698
-	-	-	-	-	539,495	-	174,393,666
-	-	-	-	-	-	-	-
6,621,641	-	-	-	-	-	-	109,570,452
-	-	-	-	-	-	-	(2,045,116)
-	-	-	-	-	-	112,718,905	112,718,905
6,621,641	2,260,679	-	-	-	539,495	112,718,905	517,949,879