

MEDIOLANUM S.p.A.

**First
Quarter Report
at March 31
2007**

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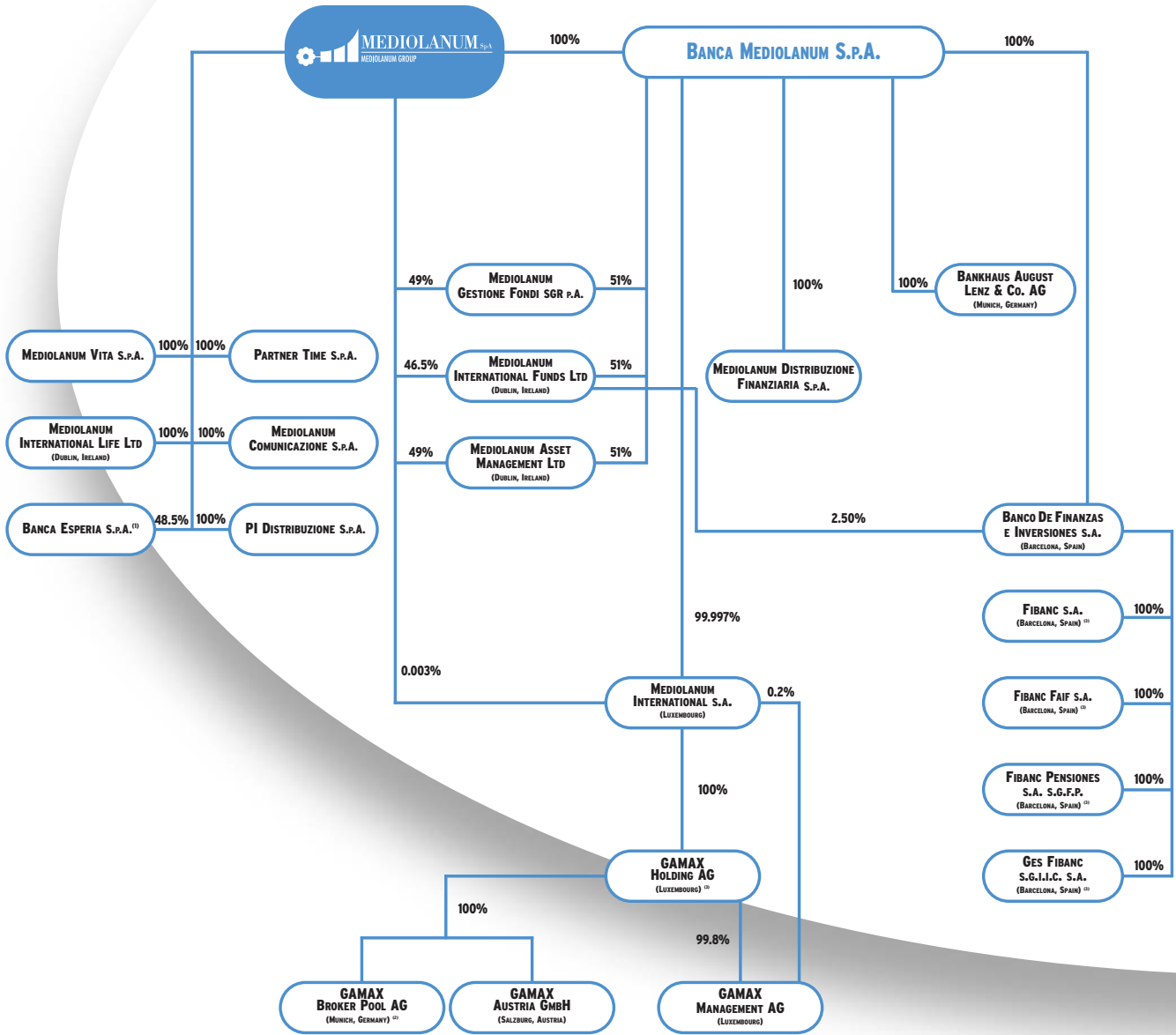
The English version of the First Quarter Report is a translation of the Italian text provided for the convenience of international readers.

MEDIOLANUM S.p.A.

**First
Quarter Report
at March 31
2007**

Group structure

As of MARCH 31, 2007



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

(2) Company sold to third parties effective from April 1, 2007.

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

Corporate Governance Officers

BOARD OF DIRECTORS:

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

BOARD OF STATUTORY AUDITORS:

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

BOARD SECRETARY:

Luca Maria Rovere

INDEPENDENT AUDITORS:

Reconta Ernst & Young S.p.A.

MEDIOLANUM S.p.A.

**Directors' Report
at March 31
2007**

Directors' Report

For the quarter ended March 31, 2007 the Mediolanum Group reported net profit of €61,078 thousand, up 3.6% from €58,967 thousand at March 31, 2006.

The considerable results of operation were, however, impacted by the lower level of performance fees earned in the period (down €10.2 million).

Excluding the impact of this revenue item, consolidated pre-tax profit climbed 30% to €65.9 million from €50.7 million in the first quarter of 2006.

At March 31, 2007, assets under management and administration amounted to €34,192.7 million, up 9% over the same period of 2006 (€31,411.3 million), and up 2% over December 31, 2006 (€33,516.4 million).

● The macroeconomic environment

In the first months of 2007, growth on a global scale continued to be sustained, although largely driven by emerging economies, and in particular by China, that displayed a GDP growth of 11% on an annual basis.

Developed economies showed quite a different picture. In the US, GDP grew only 1.3%, while in the Eurozone, although accelerating, GDP growth did not surpass 2.5-2.8% (preliminary data).

In the US, the first quarter of 2007 was the weakest in the last four years, as the economy was impacted by the downturn in the housing market, where investments fell 17%, and the 1.2% decline in exports which contributed to a negative trade balance. The weakness of the US dollar against other major currencies did not help much.

The US growth was largely supported by consumer spending (up 3.8%), which accounted for about 70% of the US GDP, and improved employment (up 4.4%).

Domestic demand, however, fuelled inflationary pressures. In March 2007, the US PPI and CPI rose 3.2% and 2.8%, respectively, making a cut in interest rates before the second half of the year less likely. Inflationary concerns were also fuelled by the new rises in oil prices as the Brent crude price surpassed 65\$ per barrel.

In Asia, China, which has definitely become one of the world's major economies, continued to display tremendous growth. Also other regional economies, that are largely dependent on exports to the US, continued to power ahead. In the first months of the year, Japan resumed growth, which showed up in exports and domestic demand. Also the European economy gave signals of recovery as evidenced by the improved business and consumer confidence as well as the upward revision of growth estimates for the full year.

Although recovering, Italy was lagging behind other European economies, due to the unresolved structural imbalances of our economy.

To keep inflation at bay, and keep any unwanted growth in the money base in check, at its March meeting the European Central Bank raised short-term interest rates by 25 basis points to 3.75%, and sent signals to the markets that further tightening may be in the cards in the months to come.

In the first quarter of 2007, almost all equity markets were rising, except for a temporary downturn in early March. The growth in equity markets was driven by the high liquidity in the system, the numerous mergers and acquisitions underpinning industry consolidation as well as more than satisfactory corporate earnings in almost all market segments.

Turning to sector analysis, the best performers were raw materials, boosted by rising commodities prices, real estate and large retail chains. Defensive stocks were more subdued.

The prices on international bond markets were marginally weak, the yield curve flattened out with increases in the European short-term rates.

The US dollar weakened against the euro, which rose from 1.327 at the beginning of the year to 1.343 at the end of March 2007.

● The insurance market

In the first two months of 2007, new life business written amounted to about €7.6 billion, down 2.6% over the same period of the prior year.

Sales of traditional life policies continued to decline, class I contracts fell 22.7% and class V contracts dropped 75.2%. Conversely, sales of class III products, which account for about 62.8% of life business, climbed 40.5%.

Turning to the analysis by distribution channel, sales made through bank branches and post offices picked up again, growing 3.4% compared to the first two months of 2006. Conversely, new life business written through financial advisors (about 4.7% of life business written) declined 7.9%, specifically sales of unit-linked policies fell 25.6%.

● Mediolanum Group's performance

For a better understanding of the Group's performance, the analysis is organised by business segment and distribution market.

Life Insurance

In the first quarter 2007, Mediolanum Vita S.p.A. recorded premiums written of €341.4 million versus €358.4 million in the past year (down 4.7%). New life business declined from €97.5 million in the first quarter 2006 to €57.2 million at the end of the quarter under review (down 41.3%), while portfolio business grew 8.7% from €262.4 million at March 31, 2006 to €285.3 million. New life business was impacted by the decrease in recurring premiums due to the introduction of the new supplementary pension legislation that effectively froze premiums written in the first half of the year. In fact, companies will be given the green light to invest the premiums paid by customers into retirement products over this period only from next July 1.

At March 31, 2007, mathematical reserves and financial liabilities to policyholders declined 0.8% to €11,717.1 million from €11,809.7 million at December 31, 2006.

For the first quarter 2007 the company reported net profit of €11.8 million versus €3.7 million at March 31, 2006. The notable improvement in net profit is largely due to the greater insurance business returns and the improved net financial income, especially thanks to lower losses on securities in the quarter under review.

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

For the first quarter 2007 Mediolanum International Life Ltd premiums written amounted to €574.5 million versus €325.0 million at March 31, 2006. Specifically, premiums written in foreign markets (Spain and Germany) grew from €38.7 million at March 31, 2006 to €52.6 million at the end of the quarter under review.

At March 31, 2007, mathematical reserves and financial liabilities to policyholders increased 18% to €2,925.5 million from €2,473.5 million in the same period of the previous year.

For the first quarter 2007, the company reported net profit of €10.5 million versus €6.6 million at March 31, 2006. The year-on-year improvement in net profit is connected to the greater business written in the quarter under review.

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

€/000	March 31, 2007	March 31, 2006
Mediolanum Vita S.p.A.	11,795	3,729
Partner Time S.p.A.	(238)	(104)
Mediolanum International Life Ltd	10,469	6,615

Asset Management

In the first quarter 2007, net inflows into Mediolanum Gestione Fondi SGR p.A.'s products recorded a negative balance of €25.2 million versus a positive balance of 173.3 million at March 31, 2006. You should bear in mind, however, that in the past year, the company had benefited from inflows of customer assets into the newly formed Mediolanum Real Estate fund (+ €220 million).

At March 31, 2007, assets invested in open-end mutual funds amounted to €2,102 million, down 7.3% from €2,267 million at March 31, 2006 (down 2.4% from €2,153 million at December 31, 2006). Assets invested in real estate funds (Property and Real Estate) amounted to €342.4 million, up 13.5% from €301.8 million at March 31, 2006 (up 9.2% from €313.5 million at December 31, 2006). At March 31, 2007, assets invested in the Previgest Fund Mediolanum pension fund amounted to €31.3 million versus €27.4 million at March 30, 2006 (€30.6 million at December 31, 2006).

At March 31, 2007, assets managed on mandates from fellow subsidiaries amounted to €13,379 million versus €13,432 million at March 31, 2006 (€13,514 million at December 31, 2006); while assets managed by fellow subsidiaries on behalf of Mediolanum Gestione Fondi SGR p.A amounted to €160 million versus €154 million at March 31, 2006 (€167 million at December 31, 2006).

For the first quarter 2007 the company reported net profit of €1,621 thousand versus €3,326 thousand in the same period of the prior year. The year-on-year decline was in connection with the lower level of performance fees earned in the quarter under review.

For the first quarter of 2007 net inflows into the products managed by Mediolanum International Funds Ltd amounted to €219.8 million versus €228.2 million at March 31, 2006.

At March 31, 2007, assets under management, invested exclusively in mutual funds, amounted to €13,661.5 million up 2.4% from €13,337 million at December 31, 2006.

For the first quarter 2007 the company reported net profit of €33,396 thousand, down €4,602 thousand from €37,998 thousand at March 31, 2006.

Mediolanum International Funds products are distributed in Italy, Spain and Germany.

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

€/000	March 31, 2007	March 31, 2006
Mediolanum International Funds Ltd	33,396	37,998
Mediolanum Gestione Fondi SGR p.A.	1,621	3,326
Mediolanum Asset Management Ltd	2,677	2,596

● Distribution Markets

○ Domestic Market

In the first quarter of 2007, the 4Freedoms campaign continued to yield positive results. At March 31, 2007, the number of bank accounts increased to 479,896 from 466,000 at December 31, 2006 (408,700 at March 31, 2006).

Among the initiatives taken in the first quarter of the year, there was the launch of «Tax Benefit New» in February. «Tax Benefit New» is a new Mediolanum Vita retirement product incorporating special features and a high-service content, in line with the new regulatory requirements for supplementary pension plans.

For those Mediolanum Vita S.p.A. new retirement products that are subject to Covip approval, authorisations are still pending. The Supervisory Authority is due to take a decision by June 30, 2007.

As allowed under Covip Regulations, in March 2007 Mediolanum Vita S.p.A. started accepting «sign-up» applications for the «Tax Benefit New» product.

At March 31, 2007, the sales network consisted of 6,475 people (vs. 6,173 at December 31, 2006) of whom 4,036 licensed financial planners (vs. 4,011 at December 31, 2006). The increase during the quarter under review is in connection with newly hired non-licensed advisors, who, after training and passing the CONSOB exam, will become licensed. Non-licensed advisors include also advisors who work as «Financial Agents» for Mediolanum Distribuzione Finanziaria S.p.A.

In the first quarter 2007, 8 new Punto Mediolanum were opened, bringing the total number of Punto Mediolanum premises to 230 (vs. 222 at December 31, 2006).

Banking

At March 31, 2007, Banca Mediolanum S.p.A. reported net profit of €25,400 thousand versus €40,574 thousand in the same period of the past year.

The year-on-year increase was largely due to lower dividends (down €11,517 thousand) received from Mediolanum International Funds Ltd, since the subsidiary reported lower net profit in the prior year.

At March 31, 2007, the Bank's total assets amounted to €7,696 million. The €1,472 million increase over December 31, 2006 was largely due to greater customer deposits, which rose 6.5% from €4,145 million at December 31, 2006 to €4,413 million at the end of the quarter under review, as well as to larger positions in financial instruments classified as «Financial Assets Held for Trading» (up €604 million) against which «Financial liabilities held for trading» also increased (up €850 million).

At March 31, 2007, the Bank's assets under administration (in bank accounts and securities accounts) grew to €5,345.5 million from €5,181 million at the end of the prior year.

At the end of the first quarter 2007, loans to customer grew 38.2% to €1,506 million from €1,090 million at December 31, 2006. The increase was largely in connection with greater repurchase agreements made with institutional investors. At March 31, 2007, mortgage loans increased 13.5 % to €328 million from €289 million at December 31, 2006.

At March 31, 2007, net interest income climbed 35.9% to €23,063 thousand from €16,970 thousand at March 31, 2006. Net income from trading amounted to €4,716 thousand versus 560 thousand at March 31, 2006.

Net interest income plus net income from trading amounted to €27,779 thousand, up 58.5% from €17,530 thousand at March 31, 2006.

At March 31, 2007, net commission income amounted to €31,568 thousand versus €37,760 thousand in the past year. The decline was mainly due to the different asset class allocation of asset management products sold in the quarter.

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

€/000	March 31, 2007	March 31, 2006
Banca Mediolanum S.p.A.	25,400	40,574
Mediolanum Distribuzione Finanziaria S.p.A.	8	(77)

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., and the London-based advisory firm Duemme Capital Ltd.

In the first quarter 2007, net inflows into the Banca Esperia Group's products amounted to €491 million, up 35% from €363 million at March 31, 2006.

Total assets under management increased from €7,080 million at December 31, 2006 to €7,571 million at the end of quarter under review.

At March 31, 2007, there were 54 private bankers versus 55 in the prior year.

At March 31, 2007, the Group reported net profit of €12.4 million versus €5.9 million March 31, 2006).

○ Foreign Markets

Spain

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

At March 31, 2007, the Fibanc Group reported net profit of €1,428 thousand versus €397 thousand in the same period of the prior year.

At the end of the quarter under review, the sales force consisted of 588 people (vs. 494 at March 31, 2006), of whom 539 tied advisors (Global Consultants) versus 437 at March 31, 2006. At March 31, 2007, net inflows amounted to €22.1 million (of which €48.7 million into managed accounts) versus €54.0 million in the prior year (of which €45.5 million into managed accounts).

At March 31, 2007, total assets under management and administration amounted to €2,741.9 million, up 10% from €2,493.3 million at December 31, 2006.

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

€/’000	March 31, 2007	March 31, 2006
Gruppo Banco de Finanzas e Inversiones S.A. – Fibanc	1,428	397

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 a Luxembourg-based fund management company and in two distribution companies operating in Germany and Austria.

Effective from April 1, 2007 the Banca Mediolanum subsidiary Gamax Holding sold its whole shareholding in Gamax Broker Pool AG, Munich, to Consal Makler Service GmbH, a company of the Consal Beteiligungsgesellschaft AG Group, for a consideration of €1,400,000.

The agreements in force between Gamax Broker Pool and Gamax Asset Management SA, Luxembourg, for the sale of mutual funds of the latter were confirmed and will continue to operate in the future.

In the consolidated accounts for the first quarter 2007, the shareholding in Gamax Broker Pool was accounted for by the equity method and recognised under «Non current assets and disposal groups».

Excluding Gamax Broker Pool AG, the **Gamax Group** reported net profit of €887 thousand at March 31, 2007 versus €842 thousand in the prior year.

At March 31, 2007, assets invested in Gamax funds amounted to €305.4 million versus €349 million at the end of the prior year. The decline was in connection with the negative balance of net inflows of customer assets.

At the end of the first quarter 2007, assets invested in third-party funds amounted to €242 million, remaining essentially in line with the 2006 year end figure (€241 million).

For the first quarter 2007 **Bankhaus August Lenz** reported net inflows of €2.5 million (of which €2.3 million into managed accounts) versus €3 million in the prior year (of which €3.4 million into managed accounts). At March 31, 2007, the sales network consisted of 41 people versus 44 at March 31, 2006.

At March 31, 2007, Bankhaus August Lenz reported a net loss of €1,978 thousand versus a loss €1,684 thousand at March 31, 2006.

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

€/000	March 31, 2007	March 31, 2006
Bankhaus August Lenz & Co. AG	(1,978)	(1,684)
Gruppo Gamax Holding AG *	887	842

(*) The net profit of the Gamax Holding AG Group does not include Gamax Broker Pool AG's results of operation.

● THE PARENT COMPANY

As disclosed in the 2006 Annual Report, effective from January 1, 2007, Mediolanum S.p.A. amicably terminated the agency agreements with Mediolanum Vita S.p.A. and Mediolanum Assicurazioni S.p.A. and at the same time said companies entered into direct distribution agreements with the subsidiary Banca Mediolanum S.p.A..

Beginning from financial year 2007, the parent company became a pure holding company heading the financial conglomerate Mediolanum Group.

At March 31, 2007, the parent company reported net profit of €31,148 thousand versus €42,781 thousand at March 31, 2006.

The decline in net profit for the quarter is largely in connection with lower dividends from subsidiaries (down €6,503 thousand) and investments classified as Available-for-Sale Financial Assets (down 3,766 thousand).

● SUMMARY KEY FINANCIALS

○ Inflows

€/m	March 31, 2007	March 31, 2006	Change %
DOMESTIC MARKET			
Italy			
- Life insurance products			
gross premiums written	864.3	646.4	+34
<i>of which:</i>			
New Business	583.5	392.2	+49
Portfolio	280.8	254.2	+10
- Mutual funds and managed accounts			
gross inflows	748.5	989.2	-24
net inflows	(98.0)	180.8	n/a
- Bank accounts and securities in custody			
net inflows	181.9	(155.0)	n/a
- Banca Esperia Group			
net inflows (48.5%)	238.1	176.1	+35
FOREIGN MARKETS			
Spain			
- Life insurance products			
gross premiums written	53.7	39.0	+38
- Mutual funds and managed accounts			
gross inflows	143.4	101.3	+42
net inflows	34.2	17.3	+97
- Bank accounts and securities in custody			
net inflows	(26.6)	8.4	n/a
Germany			
- Life insurance products			
gross inflows	2.1	2.9	-28
- Mutual funds and managed accounts			
gross inflows	2.6	1.9	+37
net inflows	0.9	0.6	+50
- Bank accounts and securities in custody			
net inflows	0.2	(0.3)	n/a

○ Consolidated assets under management and under administration *

€/m	March 31, 2007	March 31, 2006	Dec. 31, 2006
Life products	14,274.3	12,640.2	13,922.0
Mutual funds and managed accounts	15,731.9	14,853.6	15,467.4
Banking products	5,148.5	4,598.2	5,181.4
Consolidation adjustments	(7,979.9)	(6,688.6)	(7,626.9)
Banca Esperia Group **	3,671.9	2,926.0	3,433.8
Domestic market	30,846.7	28,329.4	30,377.7
Life products	422.4	352.0	409.4
Mutual funds and managed accounts	1,118.4	1,169.1	1,115.0
Banking products	1,839.7	1,579.7	1,625.6
Other products	242.6	249.6	241.0
Consolidation adjustments	(277.1)	(268.4)	(252.3)
Foreign markets	3,346.0	3,082.0	3,138.7
Mediolanum Group	34,192.7	31,411.3	33,516.4

(*) Consolidated assets under management and administration relate exclusively to retail customers. Comparative figures at March 31, 2006 were restated for the sake of consistency.

(**) 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	March 31, 2007	March 31, 2006	Dec. 31, 2006
Full Time			
Italy			
Mediolanum Banking Group *			
- Licensed Financial Advisors	4,036	3,947	4,011
- Non-licensed FAs and Credit Executives	2,439	1,518	2,162
Spain			
Fibanc	588	494	576
Germany			
Bankhaus August Lenz	41	44	42
Total	7,104	6,003	6,791
Part-time			
Italy			
Partner Time **	181	100	163
Spain			
Fibanc Group	116	137	115
Total	297	237	278
Total sales networks	7,401	6,240	7,069

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

(**) The Partner Time Sales Network figures relate to advisors and soliciting agents who regularly work for this organisation and have the required qualifications for registration in the Register of Insurance and Reinsurance Intermediaries.

Following the sale of Gamax Broker Pool AG effective from April 1, 2007, the sales network of this company was not included in the Group's sales networks.

MEDIOLANUM S.p.A.

**Segment
Reporting
at March 31
2007**

SEGMENT REPORTING

This section presents consolidated financial data reported by segment.

Segment reporting entailed the reclassification of certain income and expense items with respect to the Consolidated Income Statement included in the Consolidated Accounts at March 31, 2007.

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.

Consolidated financial results are reported by business segment (primary format), i.e. Life Insurance, Banking, Asset Management and Other, and then by geographic segment (secondary segment) by reference to the Group markets, i.e. Domestic 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 the assets of holders of unit or index-linked policies under «Amounts paid and change in technical reserves».

The reconciliation of the consolidated income statement at March 31, 2007 to the reclassified income statement prepared for segment reporting purposes is set out below.

Reconciliation of the income statement at March 31, 2007 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	914,055
1.1.2 Reinsurance premiums	(1,152)
Total premiums written	912,903
1.2 Commission income	144,491
1.3 Net income on financial instruments at fair value through profit and loss	20,580
1.4 Income on investments in subsidiaries, associates and jvs	3,719
1.5 Income on other financial instruments and investment property	
1.5.1 Interest income	51,320
1.5.2 Other income	895
1.5.3 Realised gains	2,750
1.5.4 Unrealised gains	1,822
Total income on other financial instruments and investment property	56,787
1.6 Other revenues	6,966
Total revenues and income	1,145,446
2. Costs	
2.1 Net claims and benefits	
2.1.1 Amounts paid and change in technical reserves	(865,849)
2.1.2 Reinsurers' share	1,365
Net claims and benefits	(864,484)
2.2 Commission expense	(51,573)
2.3 Losses on investments in subsidiaries, associates and jvs	-
2.4 Loss on other financial instruments and investment property	
2.4.1 Interest expense	(30,553)
2.4.2 Other expenses	(94)
2.4.3 Realised losses	(118)
2.4.4 Unrealised losses	(1,857)
Loss on other financial instruments and investment property	(32,622)
2.5 Operating expenses	
2.5.1 Agents' commissions and other acquisition costs	(29,616)
2.5.2 Investment management expenses	(93)
2.5.3 Other administrative expenses	(70,159)
Total operating expenses	(99,868)
2.6 Other costs	(16,252)
Total costs	(1,064,799)
Profit (loss) before tax for the period	80,647
3. Income tax	(19,365)
Profit(loss) for the period	61,282
4. Profit (loss) from discontinued operations	(204)
Group net profit (loss) for the period	61,078

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
914,055	-	-	-	-	-	-	-	-	-	-
(1,152)	-	-	-	-	-	-	-	-	-	-
912,903	-	-	-	-	-	-	-	-	-	-
-	14,446	83,499	14,588	19,597	12,359	-	-	-	-	-
-	-	-	-	-	-	62,113	(7,163)	(34,372)	-	-
-	-	-	-	-	-	-	-	-	3,719	-
-	-	-	-	-	-	51,320	-	-	-	-
-	-	-	-	-	-	-	-	-	895	-
-	-	-	-	-	-	-	-	-	2,750	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	51,320	-	-	3,645	-
-	-	-	-	-	-	-	-	-	-	6,966
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(30,553)	-	-	-
-	-	-	-	-	-	-	(2)	-	(94)	-
-	-	-	-	-	-	-	-	-	(118)	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(30,555)	-	(212)	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	(204)	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(53,015)	7,133	39,361	-	-
912,903	14,446	83,499	14,588	19,597	12,359	60,418	(30,585)	4,989	6,948	6,966

Reconciliation of the income statement at March 31, 2007 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	914,055
1.1.2 Reinsurance premiums	(1,152)
Total premiums written	912,903
1.2 Commission income	144,491
1.3 Net income on financial instruments at fair value through profit and loss	20,580
1.4 Income on investments in subsidiaries, associates and jvs	3,719
1.5 Income on other financial instruments and investment property	
1.5.1 Interest income	51,320
1.5.2 Other income	895
1.5.3 Realised gains	2,750
1.5.4 Unrealised gains	1,822
Total income on other financial instruments and investment property	56,787
1.6 Other revenues	6,966
Total revenues and income	1,145,446
2. Costs	
2.1 Net claims and benefits	
2.1.1 Amounts paid and change in technical reserves	(865,849)
2.1.2 Reinsurers' share	1,365
Net claims and benefits	(864,484)
2.2 Commission expense	(51,573)
2.3 Losses on investments in subsidiaries, associates and jvs	-
2.4 Loss on other financial instruments and investment property	
2.4.1 Interest expense	(30,553)
2.4.2 Other expenses	(94)
2.4.3 Realised losses	(118)
2.4.4 Unrealised losses	(1,857)
Loss on other financial instruments and investment property	(32,622)
2.5 Operating expenses	
2.5.1 Agents' commissions and other acquisition costs	(29,616)
2.5.2 Investment management expenses	(93)
2.5.3 Other administrative expenses	(70,159)
Total operating expenses	(99,868)
2.6 Other costs	(16,252)
Total costs	(1,064,799)
Profit (loss) before tax for the period	80,647
3. Income tax	(19,365)
Profit(loss) for the period	61,282
4. Profit (loss) from discontinued operations	(204)
Group net profit (loss) for the period	61,078

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
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,822	-	-	-	-	-
-	-	1,822	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(865,522)	-	-	(326)	-	-	-	-
1,365	-	-	-	-	-	-	-
(864,157)	-	-	(326)	-	-	-	-
-	(51,573)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(1,839)	-	(17)	-	-	-
-	-	(1,839)	-	(17)	-	-	-
-	(28,198)	-	(1,415)	-	-	-	-
-	-	-	(93)	-	-	-	-
-	-	-	(70,159)	-	-	-	-
-	(28,198)	-	(71,667)	-	-	-	-
(657)	-	(24)	(5,958)	(6,252)	(3,359)	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(19,365)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	61,078
6,521	-	-	-	-	-	-	-
(858,293)	(79,771)	(41)	(77,951)	(6,269)	(3,359)	(19,365)	61,078

INCOME STATEMENT AT MARCH 31, 2007

Segment reporting by business sector

€/000	LIFE INSURANCE			ASSET MANAGEMENT		
	2007	2006	delta	2007	2006	delta
Net premiums written	912,902	678,825	234,077	-	-	-
Entry fees	-	-	-	14,446	22,512	(8,066)
Management fees	41,296	34,122	7,174	42,203	43,582	(1,379)
Performance fees	7,724	10,815	(3,091)	6,864	13,966	(7,102)
Banking service fees	-	-	-	311	87	224
Other fees	5,571	5,205	366	5,957	5,291	666
Total commission income	54,591	50,142	4,449	69,781	85,438	(15,657)
Interest income and similar income	6,625	4,309	2,316	1,024	669	355
Interest expense and similar charges	(1,162)	(988)	(174)	(45)	(100)	55
Net income on investments at fair value	99	(5,174)	5,273	(3)	54	(57)
Net financial income	5,562	(1,853)	7,415	976	623	353
Net income on other investments	1,340	(169)	1,509	1,001	(410)	1,411
Other revenues	4,147	4,299	(152)	127	191	(64)
TOTAL REVENUES	978,542	731,244	247,298	71,885	85,842	(13,957)
Amounts paid and change in technical reserves	(858,293)	(629,677)	(228,616)	-	-	-
Acquisition costs & other commission expense	(42,979)	(40,338)	(2,641)	(23,244)	(32,611)	9,367
Net impairment of financial investments	-	-	-	-	-	-
G&A expenses	(27,986)	(20,474)	(7,512)	(18,728)	(18,260)	(468)
Amortisation and depreciation	(2,083)	(1,326)	(757)	(1,186)	(1,088)	(98)
Provision for risks and charges	(2,037)	(2,134)	97	(944)	(2,009)	1,065
PROFIT BEFORE TAX	45,164	37,295	7,869	27,783	31,874	(4,091)
Income tax						
NET PROFIT						

BANKING			OTHER			CONSOLIDATION ADJUSTMENTS			TOTAL		
2007	2006	delta	2007	2006	delta	2007	2006	delta	2007	2006	delta
-	-	-	-	-	-	-	-	-	912,902	678,825	234,077
-	-	-	-	-	-	-	-	-	14,446	22,512	(8,066)
-	-	-	-	-	-	-	-	-	83,499	77,704	5,795
-	-	-	-	-	-	-	-	-	14,588	24,781	(10,193)
19,572	19,078	494	-	-	-	(286)	(359)	73	19,597	18,806	791
6	20	(14)	939	957	(18)	(114)	(143)	29	12,359	11,330	1,029
19,578	19,098	480	939	957	(18)	(400)	(502)	102	144,489	155,133	(10,644)
60,112	38,752	21,360	401	230	171	(7,744)	(4,315)	(3,429)	60,418	39,645	20,773
(33,992)	(19,610)	(14,382)	(3,129)	(2,247)	(882)	7,743	4,316	3,427	(30,585)	(18,629)	(11,956)
4,891	743	4,148	1	-	1	1	(45)	46	4,989	(4,422)	9,411
31,011	19,885	11,126	(2,727)	(2,017)	(710)	-	(44)	44	34,822	16,594	18,228
889	104	785	3,718	5,130	(1,412)	-	-	-	6,948	4,655	2,293
1,694	1,153	541	1,283	960	323	(285)	(402)	117	6,966	6,201	765
53,172	40,240	12,932	3,213	5,030	(1,817)	(685)	(948)	263	1,106,127	861,408	244,719
-	-	-	-	-	-	-	-	-	(858,293)	(629,677)	(228,616)
(12,883)	(11,332)	(1,551)	(778)	(752)	(26)	113	145	(32)	(79,771)	(84,888)	5,117
(40)	(349)	309	-	-	-	(1)	45	(46)	(41)	(304)	263
(31,298)	(22,700)	(8,598)	(510)	(599)	89	571	758	(187)	(77,951)	(61,275)	(16,676)
(2,970)	(2,635)	(335)	(32)	(37)	5	2	-	2	(6,269)	(5,086)	(1,183)
(341)	(575)	234	(37)	(28)	(9)	-	-	-	(3,359)	(4,746)	1,387
5,640	2,649	2,991	1,856	3,614	(1,758)	-	-	-	80,443	75,432	5,011
									(19,365)	(16,465)	(2,900)
									61,078	58,967	2,111

INCOME STATEMENT AT MARCH 31, 2007

Segment reporting by business sector / domestic market

€/000	LIFE INSURANCE			ASSET MANAGEMENT		
	2007	2006	delta	2007	2006	delta
Net premiums written	861,594	641,674	219,920	-	-	-
Entry fees	-	-	-	12,704	20,738	(8,034)
Management fees	41,296	34,122	7,174	37,805	39,219	(1,414)
Performance fees	7,724	10,815	(3,091)	6,107	13,348	(7,241)
Banking service fees	-	-	-	-	-	-
Other fees	2,418	3,873	(1,455)	5,957	5,281	676
Total commission income	51,438	48,810	2,628	62,573	78,586	(16,013)
Interest income and similar income	6,447	4,287	2,160	908	590	318
Interest expense and similar charges	(1,162)	(988)	(174)	(39)	(28)	(11)
Net income on investments at fair value	99	(5,174)	5,273	-	-	-
Net financial income	5,384	(1,875)	7,259	869	562	307
Net income on other investments	1,340	(169)	1,509	108	71	37
Other revenues	4,147	4,299	(152)	34	71	(37)
TOTAL REVENUES	923,903	692,739	231,164	63,584	79,290	(15,706)
Amounts paid and change in technical reserves	(813,500)	(596,819)	(216,681)	-	-	-
Acquisition costs & other commission expense	(38,429)	(37,597)	(832)	(20,008)	(29,428)	9,420
Net impairment of financial investments	-	-	-	-	-	-
G&A expenses	(25,465)	(18,205)	(7,260)	(16,865)	(16,352)	(513)
Amortisation and depreciation	(1,517)	(1,156)	(361)	(1,089)	(1,024)	(65)
Provision for risks and charges	(2,037)	(2,134)	97	(944)	(1,969)	1,025
PROFIT BEFORE TAX	42,955	36,828	6,127	24,678	30,517	(5,839)
Income tax						
NET PROFIT						

BANKING			OTHER			CONSOLIDATION ADJUSTMENTS			TOTAL		
2007	2006	delta	2007	2006	delta	2007	2006	delta	2007	2006	delta
-	-	-	-	-	-	-	-	-	861,594	641,674	219,920
-	-	-	-	-	-	-	-	-	12,704	20,738	(8,034)
-	-	-	-	-	-	-	-	-	79,101	73,341	5,760
-	-	-	-	-	-	-	-	-	13,831	24,163	(10,332)
11,125	10,757	368	-	-	-	(286)	(360)	74	10,839	10,397	442
4	9	(5)	939	957	(18)	-	-	-	9,318	10,120	(802)
11,129	10,766	363	939	957	(18)	(286)	(360)	74	125,793	138,759	(12,966)
54,145	34,577	19,568	401	230	171	(4,796)	(2,685)	(2,111)	57,105	36,999	20,106
(31,081)	(17,601)	(13,480)	(3,129)	(2,247)	(882)	4,796	2,685	2,111	(30,615)	(18,179)	(12,436)
4,716	559	4,157	1	-	1	-	-	-	4,816	(4,615)	9,431
27,780	17,535	10,245	(2,727)	(2,017)	(710)	-	-	-	31,306	14,205	17,101
860	-	860	3,718	5,130	(1,412)	-	-	-	6,026	5,032	994
1,417	827	590	1,283	960	323	-	-	-	6,881	6,157	724
41,186	29,128	12,058	3,213	5,030	(1,817)	(286)	(360)	74	1,031,600	805,827	225,773
-	-	-	-	-	-	-	-	-	(813,500)	(596,819)	(216,681)
(6,123)	(5,325)	(798)	(778)	(752)	(26)	-	-	-	(65,338)	(73,102)	7,764
(275)	(110)	(165)	-	-	-	-	-	-	(275)	(110)	(165)
(24,224)	(17,002)	(7,222)	(510)	(599)	89	286	360	(74)	(66,778)	(51,798)	(14,980)
(2,465)	(2,141)	(324)	(32)	(37)	5	-	-	-	(5,103)	(4,358)	(745)
(333)	(537)	204	(37)	(28)	(9)	-	-	-	(3,351)	(4,668)	1,317
7,766	4,013	3,753	1,856	3,614	(1,758)	-	-	-	77,255	74,972	2,283
									(18,029)	(16,022)	(2,007)
									59,226	58,950	276

INCOME STATEMENT AT MARCH 31, 2007

Segment reporting by business sector / foreign market

€/000	LIFE INSURANCE			ASSET MANAGEMENT		
	2007	2006	delta	2007	2006	delta
Net premiums written	51,307	37,152	14,155	-	-	-
Entry fees	-	-	-	1,742	1,774	(32)
Management fees	-	-	-	4,397	4,363	34
Performance fees	-	-	-	757	618	139
Banking service fees	-	-	-	311	87	224
Other fees	3,152	1,332	1,820	-	10	(10)
Total commission income	3,152	1,332	1,820	7,207	6,852	355
Interest income and similar income	178	22	156	116	79	37
Interest expense and similar charges	-	-	-	(6)	(72)	66
Net income on investments at fair value	-	-	-	(3)	54	(57)
Net financial income	178	22	156	107	61	46
Net income on other investments	-	-	-	893	(481)	1,374
Other revenues	-	-	-	93	120	(27)
TOTAL REVENUES	54,637	38,506	16,131	8,300	6,552	1,748
Amounts paid and change in technical reserves	(44,793)	(32,858)	(11,935)	-	-	-
Acquisition costs & other commission expense	(4,550)	(2,745)	(1,805)	(3,236)	(3,183)	(53)
Net impairment of financial investments	-	-	-	-	-	-
G&A expenses	(2,519)	(2,266)	(253)	(1,862)	(1,908)	46
Amortisation and depreciation	(566)	(170)	(396)	(97)	(64)	(33)
Provision for risks and charges	-	-	-	-	(40)	40
PROFIT BEFORE TAX	2,209	467	1,742	3,105	1,357	1,748
Income tax						
NET PROFIT						

BANKING			OTHER			CONSOLIDATION ADJUSTMENTS			TOTAL		
2007	2006	delta	2007	2006	delta	2007	2006	delta	2007	2006	delta
-	-	-	-	-	-	-	-	-	51,307	37,152	14,155
-	-	-	-	-	-	-	-	-	1,742	1,774	(32)
-	-	-	-	-	-	-	-	-	4,397	4,363	34
-	-	-	-	-	-	-	-	-	757	618	139
8,447	8,321	126	-	-	-	-	-	-	8,758	8,408	350
2	11	(9)	-	-	-	-	-	-	3,154	1,353	1,801
8,449	8,332	117	-	-	-	-	-	-	18,808	16,516	2,292
5,967	4,175	1,792	-	-	-	-	-	-	6,261	4,276	1,985
(2,911)	(2,009)	(902)	-	-	-	-	-	-	(2,917)	(2,081)	(836)
175	184	(9)	-	-	-	-	-	-	172	238	(66)
3,231	2,350	881	-	-	-	-	-	-	3,516	2,433	1,083
29	104	(75)	-	-	-	-	-	-	922	(377)	1,299
277	326	(49)	-	-	-	-	(95)	95	370	351	19
11,986	11,112	874	-	-	-	-	(95)	95	74,923	56,075	18,848
-	-	-	-	-	-	-	-	-	(44,793)	(32,858)	(11,935)
(6,759)	(6,007)	(752)	-	-	-	-	-	-	(14,545)	(11,935)	(2,610)
235	(239)	474	-	-	-	-	-	-	235	(239)	474
(7,076)	(5,698)	(1,378)	-	-	-	-	95	(95)	(11,457)	(9,777)	(1,680)
(504)	(494)	(10)	-	-	-	-	-	-	(1,167)	(728)	(439)
(8)	(38)	30	-	-	-	-	-	-	(8)	(78)	70
(2,126)	(1,364)	(762)	-	-	-	-	-	-	3,188	460	2,728
									(1,336)	(443)	(893)
									1,852	17	1,835

MEDIOLANUM S.p.A.

**Consolidated
Accounts
at March 31
2007**

Balance sheet

Assets

€/000	March 31, 2007	Dec. 31, 2006
1. Intangible assets		
1.1 Goodwill	162,414	162,414
1.2 Other intangible assets	15,647	19,250
Total intangible assets	178,061	181,664
2. Tangible assets		
2.1 Property	57,396	57,680
2.2 Other tangible assets	16,889	17,129
Total tangible assets	74,285	74,809
3. Reinsurers' share of technical reserves	101,618	103,176
4. Investments		
4.1 Investment property	5,097	6,967
4.2 Investments in subsidiaries, associates and jvs	43,044	39,326
4.3 Held to maturity investments	604,473	567,544
4.4 Loans and receivables	4,297,478	3,311,552
4.5 Available for sale financial assets	955,157	959,715
4.6 Financial assets at fair value through profit and loss	16,180,989	15,233,135
Total investments	22,086,238	20,118,239
5. Receivables		
5.1 Arising out of direct insurance business	12,088	13,806
5.2 Arising out of reinsurance business	379	-
5.3 Other receivables	1,489	1,214
Total receivables	13,956	15,020
6. Other assets		
6.1 Non current assets or assets of disposal groups, held for sale	1,232	1,434
6.2 Deferred acquisition costs	-	-
6.3 Deferred tax assets	40,960	45,181
6.4 Current tax assets	146,185	145,174
6.5 Other assets	240,997	192,153
Total other assets	429,373	383,942
7. Cash and cash equivalents	214,827	439,027
TOTAL ASSETS	23,098,358	21,315,877

Shareholders' equity and liabilities

€/000	March 31, 2007	Dec. 31, 2006
1. Shareholders' equity		
1.1 Group shareholders' equity		
1.1.1 Share capital	72,884	72,884
1.1.2 Other equity instruments	-	-
1.1.3 Capital reserves	52,603	52,561
1.1.4 Retained earnings and other equity reserves	664,188	439,761
1.1.5 Treasury shares (-)	(2,045)	(2,045)
1.1.6 Exchange difference reserves	-	-
1.1.7 Gains or losses on available for sale financial assets	99,334	117,465
1.1.8 Other gains or losses recognised directly in equity	-	-
1.1.9 Net profit (loss) for the year attributable to the Group	61,078	223,678
Total capital and reserves attributable to the Group	948,042	904,304
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	948,042	904,304
2. Provisions	70,469	67,503
3. Technical reserves	13,707,611	13,306,917
4. Financial liabilities		
4.1 Financial liabilities at fair value through profit and loss	1,911,755	1,100,993
4.2 Other financial liabilities	6,025,235	5,489,253
Total financial liabilities	7,936,990	6,590,246
5. Payables		
5.1 Arising out of direct insurance business	11,609	13,489
5.2 Arising out of reinsurance business	127	1,663
5.3 Other payables	202,267	247,219
Total payables	214,003	262,371
6. Other liabilities		
6.1 Liabilities of disposal groups held for sale	-	-
6.2 Deferred tax liabilities	18,096	19,630
6.3 Current tax liabilities	57,132	40,546
6.4 Other liabilities	146,015	124,360
Total other liabilities	221,243	184,536
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	23,098,358	21,315,877

Income statement

€/000	March 31, 2007	March 31, 2006
1. Revenues		
1.1 Net premiums written		
1.1.1 Gross premiums written	914,055	680,459
1.1.2 Reinsurance premiums	(1,152)	(1,633)
Total premiums written	912,903	678,826
1.2 Commission income	144,491	155,135
1.3 Net income on financial instruments at fair value through profit and loss	20,580	209,208
1.4 Income on investments in subsidiaries, associates and jvs	3,719	1,527
1.5 Income on other financial instruments and investment property		
1.5.1 Interest income	51,320	34,221
1.5.2 Other income	895	3,744
1.5.3 Realised gains	2,750	99
1.5.4 Unrealised gains	1,822	1,473
Total income on other financial instruments and investment property	56,787	39,537
1.6 Other revenues	6,966	6,096
Total revenues and income	1,145,446	1,090,329
2. Costs		
2.1 Net claims and benefits		
2.1.1 Amounts paid and change in technical reserves	(865,849)	(840,261)
2.1.2 Reinsurers' share	1,365	1,988
Net claims and benefits	(864,484)	(838,273)
2.2 Commission expense	(51,573)	(54,296)
2.3 Losses on investments in subsidiaries, associates and jvs	-	-
2.4 Loss on other financial instruments and investment property		
2.4.1 Interest expense	(30,553)	(18,585)
2.4.2 Other expenses	(94)	(177)
2.4.3 Realised losses	(118)	(17)
2.4.4 Unrealised losses	(1,857)	(1,818)
Loss on other financial instruments and investment property	(32,622)	(20,597)
2.5 Operating expenses		
2.5.1 Agents' commissions and other acquisition costs	(29,616)	(32,911)
2.5.2 Investment management expenses	(93)	(187)
2.5.3 Other administrative expenses	(70,159)	(55,702)
Total operating expenses	(99,868)	(88,800)
2.6 Other costs	(16,252)	(12,450)
Total costs	(1,064,799)	(1,014,416)
Profit (loss) before tax for the period	80,647	75,913
3. Income tax	(19,365)	(16,465)
Profit(loss) for the period	61,282	59,448
4. Profit (loss) from discontinued operations	(204)	(481)
Group net profit (loss) for the period	61,078	58,967

Statement of changes in shareholders' equity

€/000	Balance at Dec. 31, 2005	closing balance	Adjustment to Amount credited	Transferred to the Income Statement	Other movements	Balance at Dec. 31, 2006
Shareholders' equity attributable to the Group						
Share capital	72,738	-	146	-	-	72,738
Other equity instruments	-	-	-	-	-	-
Capital reserves	50,358	-	2,203	-	-	52,561
Retained earnings and other equity reserves	349,518	-	2,373	-	87,870	439,761
(Treasury shares)	(2,045)	-	-	-	-	(2,045)
Exchange difference reserve	-	-	-	-	-	-
Gains (losses) on available-for-sale financial assets	104,105	-	-	13,360	-	117,465
Other gains (losses) recognised 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	-	-	-	(9,634)	223,678
Total shareholders' equity attributable to the Group	807,986	-	4,722	13,360	78,236	904,304
Shareholders' equity attributable to minority interest						
Share capital and reserves	-	-	-	-	-	-
Gains (losses) recognised directly in equity	-	-	-	-	-	-
Net profit (loss) for the period	-	-	-	-	-	-
Total shareholders' equity attributable to minority interests	-	-	-	-	-	-
TOTAL	807,986	-	4,722	13,360	78,236	904,304

€/000	Balance at Dec. 31, 2006	Adjustment to closing balance	Amount credited	Transferred to the Income Statement	Other movements	Balance at March 31, 2007
Shareholders' equity attributable to the Group						
Share capital	72,884	-	-	-	-	72,884
Other equity instruments	-	-	-	-	-	-
Capital reserves	52,561	-	42	-	-	52,603
Retained earnings and other equity reserves	439,761	-	749	-	223,678	664,188
(Treasury shares)	(2,045)	-	-	-	-	(2,045)
Exchange difference reserve	-	-	-	-	-	-
Gains (losses) on available-for-sale financial assets	117,465	-	(19,216)	1,085	-	99,334
Other gains (losses) recognised 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	223,678	-	-	-	(162,600)	61,078
Total shareholders' equity attributable to the Group	904,304	-	(18,425)	1,085	61,078	948,042
Shareholders' equity attributable to minority interest						
Share capital and reserves	-	-	-	-	-	-
Gains (losses) recognised directly in equity	-	-	-	-	-	-
Net profit (loss) for the period	-	-	-	-	-	-
Total shareholders' equity attributable to minority interests	-	-	-	-	-	-
TOTAL	904,304	-	(18,425)	1,085	61,078	948,042

Consolidated cash flow statement

Indirect method

€/000	March 31, 2007	March 31, 2006
Profit (loss) before tax for the period	80,647	75,432
Changes in non-monetary items	376,711	617,092
Change in unearned premiums reserve (general business)	-	-
Change in outstanding claims reserve and other technical reserves (general business)	-	-
Change in mathematical reserves and other technical reserves (Life business)	402,252	465,039
Change in deferred acquisition costs	-	-
Change in provisions	2,966	3,453
Non-monetary income (losses) on financial instruments, investment property and equity investments	(28,507)	148,600
Other changes	-	-
Changes in receivables and payables arising out of operating activities	(75,394)	(93,141)
Changes in receivables and payables arising out of direct insurance and reinsurance operations	(2,077)	(9,634)
Changes in other receivables and payables	(73,317)	(83,507)
Income tax paid	-	-
Net cash from monetary items relating to investment and financial activities	357,163	1,207,367
Liabilities on financial contracts issued by insurance companies	810,762	619,939
Amounts due to banks and banking customers	535,982	(9,414)
Loans to and receivables from banks and banking customers	(986,151)	610,301
Other financial instruments at fair value through profit or loss	(3,430)	(13,459)
NET CASH FLOWS FROM OPERATING ACTIVITIES	739,127	1,806,750
Net cash from investment property	1,870	63
Net cash from subsidiaries, associates and <i>joint ventures</i>	(3,718)	(1,365)
Net cash from loans and receivables	225	(11,021)
Net cash from held-to-maturity investments	(36,929)	148,627
Net cash from available-for-sale financial assets	4,558	(37,781)
Net cash from tangible and intangible assets	4,127	2,494
Other cash flows from investment activities	(916,116)	(2,026,505)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(945,983)	(1,925,488)
Net cash from equity instruments attributable to the Group	(17,344)	24,196
Net cash from treasury shares	-	-
Distribution of dividends attributable to the Group	-	-
Net cash from capital and reserves attributable to minority interests	-	-
Net cash from subordinated liabilities and quasi-equity instruments	-	-
Net cash from miscellaneous financial liabilities	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	(17,344)	24,196
Effect of exchange rate changes on cash and cash equivalents	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	439,027	522,869
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(224,200)	(94,542)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	214,827	428,327

MEDIOLANUM S.p.A.

**Notes to the
Consolidated
Financial Statements
at March 31
2007**

Notes to the Consolidated Financial Statements at March 31, 2007

ACCOUNTING BASIS AND SCOPE OF CONSOLIDATION

The report for the quarter ended March 31, 2007 was prepared applying the international accounting and financial reporting 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 policies applied in the preparation of the first quarter report are consistent with those applied in the preparation of the consolidated financial statements for the year ended December 31, 2006.

● Accounting Basis

The first 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 March 31, 2007 was prepared using the formats indicated in the «Instructions for the preparation of IAS/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
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	46.50	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	53.50	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 Austria GmbH	40	100.00	Salzburg	Fund distribution
Bankhaus August Lenz & Co. AG	20,000	100.00	Munich	Banking

Group companies pending disposal, that are indirectly owned by Mediolanum S.p.A. through Banca Mediolanum S.p.A., and accounted for under the equity method pursuant to IFRS 5:

€/000 Company	Share capital	% holding	Registered Office	Business
Gamax Broker Pool AG	500	100.00	Munich	Fund distribution

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

Q1 MAIN INCOME STATEMENT DATA

● TECHNICAL ACCOUNT - LIFE INSURANCE

Analysis of the account at March 31, 2007

€/000	Gross	Reinsurance	Net
Gross premiums written less reinsurance premiums			
- Premiums written	914,055	(1,152)	912,903
Total premiums written	914,055	(1,152)	912,903
Gross amounts paid less recoveries from reinsurers			
- Amounts paid	(463,321)	2,924	(460,397)
- Change in reserve for outstanding claims	5,528	(877)	4,651
- Change in mathematical reserves	(17,521)	(682)	(18,203)
- Change in other technical reserves	(32,766)	-	(32,766)
- Change in technical reserves for contracts under which the investment risk is borne by the policyholder and reserves relating to pension fund management	(357,769)	-	(357,769)
Total amounts paid and change in technical reserves	(865,849)	1,365	(864,484)
Life Insurance net income (expense)	48,206	213	48,419

Analysis of the account at March 31, 2006

€/000	Gross	Reinsurance	Net
Gross premiums written less reinsurance premiums			
- Premiums written	680,459	(1,633)	678,826
Total premiums written	680,459	(1,633)	678,826
Gross amounts paid less recoveries from reinsurers			
- Amounts paid	(324,555)	2,828	(321,727)
- Change in reserve for outstanding claims	(16,251)	-	(16,251)
- Change in mathematical reserves	(11,858)	(840)	(12,698)
- Change in other technical reserves	2,866	-	2,866
- Change in technical reserves for contracts under which the investment risk is borne by the policyholder and reserves relating to pension fund management	(490,463)	-	(490,463)
Total amounts paid and change in technical reserves	(840,261)	1,988	(838,273)
Life Insurance net income (expense)	(159,802)	355	(159,447)

● COMMISSION INCOME

€/000	March 31, 2007	March 31, 2006
Management, brokerage and consulting services	123,883	135,753
Collection and payment services	8,348	7,968
Investment contracts	4,832	5,136
Other services	7,428	6,278
Total	144,491	155,135

● COMMISSION EXPENSE

€/000	March 31, 2007	March 31, 2006
Management, brokerage and consulting services	34,599	39,389
Collection and payment services	7,012	5,968
Investment contracts	339	762
Other services	9,623	8,177
Total	51,573	54,296

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

€/000	March 31, 2007	March 31, 2006
Financial assets		
Interest income and other investment income:		
- from financial assets held for trading	17,450	13,504
- from financial assets at fair value through profit or loss	44,664	56,370
Net income from financial assets held for trading	4,990	(4,278)
Net income from financial assets at fair value through profit or loss	(31,733)	135,141
Financial liabilities		
Interest expense and similar charges:		
- on financial liabilities at fair value through profit or loss	(7,163)	(9,612)
Net loss on financial liabilities at fair value through profit or loss	(7,628)	18,083
Total	20,580	209,208

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	6,267	5,006	(5,850)	(2,591)	2,832
Equities	-	-	-	-	-
Holdings in UCITS	496	-	(5)	-	491
Other	-	-	-	-	-
Other financial assets and liabilities					
Exchange differences	-	-	-	-	78
Financial derivatives					-
- debt securities and interest rates	341	11,061	(851)	(9,126)	1,425
- equities and stock indices	-	-	-	-	-
- other	20,299	96	(20,184)	(47)	164
Total	27,403	16,163	(26,890)	(11,764)	4,990

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)]
Debt securities	33,819	13,005	(75,677)	(1,103)	(29,956)
Equities	8,823	-	-	-	8,823
Holdings in UCITS	51,506	502	(46,774)	(15,834)	(10,600)
Total	94,148	13,507	(122,451)	(16,937)	(31,733)

● INVESTMENT INCOME AND EXPENSE

€/000	March 31, 2007	March 31, 2006
Interest income and other income	52,215	37,965
Realised gains	2,750	99
Unrealised gains	1,822	1,473
Total income	56,787	39,537
Interest expense and other charges	(30,647)	(18,762)
Realised losses	(118)	(17)
Unrealised losses	(1,857)	(1,818)
Total expense	(32,622)	(20,597)
Total net investment income	24,165	18,940

Net investment income from:

Investment property	1,468	(168)
Available-for-sale financial assets	5,393	4,979
Held-to-maturity investments	5,868	8,270
Loans and receivables	41,592	24,055
Financial liabilities	(30,156)	(18,196)
Total net investment income	24,165	18,940

The comparative figure at March 31, 2006 for Other income shows a €3,633 thousand increase compared to the balance set out in the prior year's accounts. The increase is due to the reclassification of dividends from equity investments classified as «Available-for-sale financial assets» from «Income on investments in subsidiaries, associates and joint ventures» to «Other Income».

Investment property

€/000	March 31, 2007	March 31, 2006
Realised gains	1,547	-
Other income	31	42
Other expenses	(92)	(148)
Unrealised losses	(18)	(62)
Total	1,468	(168)

Held-to-maturity investments

€/000	March 31, 2007	March 31, 2006
Interest income and other income	5,393	4,979
Total	5,393	4,979

Available-for-sale financial assets

€/000	March 31, 2007	March 31, 2006
Interest income and other income	4,783	8,188
Realised gains	1,203	99
Realised losses	(118)	(17)
Total	5,868	8,270

Loans and receivables

€/000	March 31, 2007	March 31, 2006
Interest income and other income	41,609	24,338
Unrealised gains	1,822	1,473
Unrealised losses	(1,839)	(1,756)
Total	41,592	24,055

Interest income and other income

€/000	March 31, 2007	March 31, 2006
Loans to banks	23,612	14,430
Loans to customers	17,997	9,908
Total	41,609	24,338

Financial liabilities

€/000	March 31, 2007	March 31, 2006
Interest expense and other charges	(30,156)	(18,196)
Total	(30,156)	(18,196)

● OTHER INCOME

€/000	March 31, 2007	March 31, 2006
Fixed duties on insurance products	4,142	4,216
Other	2,824	1,880
Total	6,966	6,096

● OPERATING EXPENSES

€/000	March 31, 2007	March 31, 2006
Agents' Commissions and other acquisition costs	29,616	32,911
Investment management expenses	93	187
Other administrative expenses		
Employees	30,930	27,303
Advertising and promotions	4,350	3,213
Advisory services and collaborations	7,975	5,295
IT systems	9,321	6,881
Miscellaneous communications services	5,764	3,537
Other general expenses	11,819	9,473
Total other administrative expenses	70,159	55,702
Total	99,868	88,800

● OTHER EXPENSES

€/000	March 31, 2007	March 31, 2006
Employees	1,081	891
Amortisation of intangible assets	4,378	2,916
Depreciation of investment property and other assets	1,874	2,132
Provisions for risks and charges	3,361	3,428
Other miscellaneous expenses	5,558	3,083
Total	16,252	12,450

Q1 MAIN BALANCE SHEET DATA

ASSETS

● INTANGIBLE ASSETS

€/000	March 31, 2007	Dec. 31, 2006
Goodwill	162,414	162,414
Other intangible assets	15,647	19,250
Total	178,061	181,664

Analysis of intangible assets

€/000	March 31, 2007		Dec. 31, 2006	
	Finite life	Indefinite life	Finite life	Indefinite life
Goodwill				
- Group	-	162,414	-	162,414
- minorities	-	-	-	-
Other intangible assets				
- internally generated intangible assets	-	-	-	-
Measured at cost:				
- other intangible assets	15,647	-	19,250	-
Total	15,647	162,414	19,250	162,414

● TANGIBLE ASSETS

○ Property

€/000	March 31, 2007	Dec. 31, 2006
Land	20,100	20,100
Buildings	37,296	37,580
Total	57,396	57,680

○ Other tangible assets

€/000	March 31, 2007	Dec. 31, 2006
Furnishings	3,175	3,015
Electronic equipment	10,267	10,702
Other	3,447	3,412
Total	16,889	17,129

● ANALYSIS OF REINSURERS' SHARE OF TECHNICAL RESERVES

€/000	March 31, 2007	Dec. 31, 2006
Life business reserves		
Mathematical reserves	100,679	101,360
Reserve for outstanding claims	939	1,816
Total reinsurers' share of life technical reserves	101,618	103,176

● INVESTMENTS

○ Investment property

€/000	March 31, 2007	Dec. 31, 2006
Land	3,993	5,454
Buildings	1,104	1,513
Total	5,097	6,967

At March 31, 2007 the market value of investment property was €7,100 thousand.

○ Investments in subsidiaries, associates and joint ventures

Investments in associates relate to the 48.5% shareholding in Banca Esperia S.p.A. accounted for under the equity method (31.12.2006: €39,326 thousand).

○ Held-to-maturity investments

€/000	March 31, 2007	Dec. 31, 2006
Debt securities	422,240	367,748
Investments sold but not derecognised	182,233	199,796
Book value	604,473	567,544
Fair value	605,867	570,706

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

€/000	March 31, 2007
Time to maturity	
1-5 years	385,441
5-10 years	90,278
over 10 years	128,754
Total	604,473

Loans and receivables

€/000	March 31, 2007	Dec. 31, 2006
Banks	2,577,131	1,976,514
Banking customers	1,709,500	1,323,703
Other	10,847	11,335
Total	4,297,478	3,311,552

Loans and receivables: banks

€/000	March 31, 2007	Dec. 31, 2006
Deposits with Central Banks		
- for reserve requirements	37,873	25,548
Loans to banks		
- time deposits	1,928,581	1,726,331
- other loans	610,677	224,635
Total	2,577,131	1,976,514
Fair value	2,577,131	1,976,514

Loans and receivables: banking customers

€/000	March 31, 2007	Dec. 31, 2006
Current accounts	210,747	206,870
Repurchase agreements	543,961	100,538
Mortgage loans	390,662	351,739
Other	564,130	664,556
Total	1,709,500	1,323,703
Fair value	1,709,500	1,353,440

Available for sale financial assets

€/000	March 31, 2007	Dec. 31, 2006
Debt securities	474,410	481,381
Equities	289,973	308,882
Holdings in UCITS	171,001	169,452
Investments sold but not derecognised	19,773	-
Total	955,157	959,715

○ Financial assets at fair value through profit or loss

€/000	March 31, 2007	Dec. 31, 2006
Financial assets held for trading		
Debt securities	2,923,628	2,425,333
Equities	1,682	421
Holdings in UCITS	56,580	56,090
Trading derivatives	12,395	14,628
Total	2,994,285	2,496,472
Financial assets at fair value		
Debt securities	5,580,586	5,439,831
Holdings in UCITS	7,606,118	7,296,832
Total	13,186,704	12,736,663
Total financial assets at fair value through profit or loss	16,180,989	15,233,135

Financial assets held for trading: trading derivatives

€/000	Interest rate	Currencies and gold	Other	March 31, 2007	Dec. 31, 2006
Listed derivatives					
<i>Financial derivatives</i>					
• Without exchange of principal					
- Options purchased	3,619	-	4,252	7,871	8,791
- Other derivatives	70	-	-	70	9
Total listed derivatives	3,689	-	4,252	7,941	8,800
Unlisted derivatives					
<i>Financial derivatives</i>					
• With exchange of principal					
- Other derivatives	-	1,463	63	1,526	2,813
• Without exchange of principal					
- Options purchased	452	-	1,047	1,499	1,500
- Other derivatives	1,429	-	-	1,429	1,515
Total unlisted derivatives	1,881	1,463	1,110	4,454	5,828
TOTAL	5,570	1,463	5,362	12,395	14,628

● ANALYSIS OF OTHER ASSETS

○ Non current assets and disposal groups

€/000	March 31, 2007	Dec. 31, 2006
Non current assets or assets of disposal group held for sale	1,232	1,434
Total	1,232	1,434

In this balance sheet item €817 thousand relate to equity accounting for Gamax Broker Pool AG.

○ Other Assets

€/000	March 31, 2007	Dec. 31, 2006
Items in transit	166,923	105,795
Due from tax authorities	19,673	32,338
Security deposits	10,874	18,177
Other receivables	28,261	23,999
Investment contracts Deferred Acquisition Costs (DAC)	8,030	10,303
Other	7,236	1,541
Total	240,997	192,153

SHAREHOLDERS' EQUITY AND LIABILITIES

● SHAREHOLDERS' EQUITY

€/000	March 31, 2007	Dec. 31, 2006
Share capital	72,884	72,884
Capital reserves	52,603	52,561
Retained earnings and other equity reserves	664,188	439,761
Treasury shares	(2,045)	(2,045)
Gains (losses) on available-for-sale financial assets	99,334	117,465
Group's profit (loss) for the year	61,078	223,678
Group's capital and reserves	948,042	904,304

Share capital is fully paid up and amounts to €72,884,331.70 divided into 728,843,317 ordinary shares.

Please note that there are no equity holders other than the Group.

For information on movements over the year, readers are referred to the Statement of Changes in Shareholders' Equity herein.

○ Gains (losses) on available for sale financial assets

€/000	March 31, 2007		Dec. 31, 2006	
	Gains	Losses	Gains	Losses
Debt securities	-	(5,912)	-	(5,029)
Equities	102,709	-	120,564	-
Holdings in UCITS	2,566	(29)	1,955	(25)
Total	105,275	(5,941)	122,519	(5,054)

● PROVISIONS

€/000	March 31, 2007	Dec. 31, 2006
Provision for tax claims	153	153
Other provisions	70,316	67,350
Total	70,469	67,503

Analysis of other provisions

€/000	March 31, 2007	Dec. 31, 2006
Provision for other completion-of-service entitlements and similar obligations	1,645	1,600
Provision for sales network benefits	39,573	38,530
Provision for risks related to sales network's illegal actions	16,853	17,274
Other provisions for risks and charges	12,245	9,946
Total	70,316	67,350

● TECHNICAL RESERVE

€/000	March 31, 2007	Dec. 31, 2006
Mathematical reserves	1,263,862	1,255,651
Reserve for outstanding claims	72,952	78,039
Technical reserves for contracts under which the investment risk is borne by the policyholder and in connection with pension fund management	12,341,194	11,939,212
Other reserves	29,603	34,015
Total	13,707,611	13,306,917

● FINANCIAL LIABILITIES

○ Financial liabilities at fair value through profit and loss

€/000	March 31, 2007	Dec. 31, 2006
Financial liabilities held for trading		
Short positions on debt securities	970,910	120,278
Trading derivatives	31,243	28,425
Other financial liabilities	991	1,149
Total Financial liabilities held for trading	1,003,144	149,852
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	894,636	938,285
- in connection with pension fund management	12,508	11,703
Securities issued	1,467	1,153
Total financial liabilities at fair value through profit or loss	908,611	951,141
Total financial liabilities at fair value through profit or loss	1,911,755	1,100,993

Financial liabilities held for trading: trading derivatives

€/000	Interest rate	Currencies and gold	Equities	Other	March 31, 2007	Dec. 31, 2006
Listed derivatives						
<i>Financial derivatives</i>						
• Without exchange of principal						
- Options issued	-	-	-	336	336	-
- Other derivatives	27,499	-	-	-	27,499	26,344
Total listed derivatives	27,499	-	-	336	27,835	26,344
Unlisted derivatives						
<i>Financial derivatives</i>						
• With exchange of principal						
- Other derivatives	-	1,906	-	-	1,906	798
• Without exchange of principal						
- Options issued	-	-	767	-	767	735
- Other derivatives	735	-	-	-	735	548
Total unlisted derivatives	735	1,906	767	-	3,408	2,081
TOTAL DERIVATIVES	28,234	1,906	767	336	31,243	28,425

○ Other financial liabilities

€/000	March 31, 2007	Dec. 31, 2006
Banks	1,479,231	1,123,420
Banking customers	4,445,398	4,264,492
Securities outstanding	100,606	101,341
Total	6,025,235	5,489,253

Financial liabilities: Banks

€/000	March 31, 2007	Dec. 31, 2006
Central Banks	309,013	560,172
Other banks		
- Bank accounts and demand deposits	470,221	186,113
- Time deposits	283,051	152,135
- Loans	416,946	225,000
Total	1,479,231	1,123,420

Financial liabilities: Banking customers

€/000	March 31, 2007	Dec. 31, 2006
Bank accounts	3,534,859	3,619,381
Liabilities for assets that were sold but not derecognised	844,689	575,113
Other liabilities	65,850	69,998
Total	4,445,398	4,264,492

● PAYABLES

○ Other payables

€/000	March 31, 2007	Dec. 31, 2006
Employee completion-of-service entitlements	14,710	14,772
Payables to suppliers	87,412	128,598
Due to tax authorities	45,215	51,212
Other payables	54,930	52,637
Total	202,267	247,219

● OTHER LIABILITIES

○ Other liabilities

€/000	March 31, 2007	Dec. 31, 2006
Items in transit relating to lending	108,608	78,146
Deferred liabilities relating to investment contracts (DIR)	18,148	23,045
Other	19,259	23,169
Total	146,015	124,360

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 Accounts at March 31, 2007	530,538	31,148	561,686
Successive changes in carrying amount and equity of companies consolidated on a line-by-line basis	282,854	88,442	371,296
Differences on investments accounted for by the equity method	14,030	3,514	17,544
Intercompany dividends	62,299	(62,299)	-
Elimination of intercompany transactions effects	(940)	1	(939)
Amortisation of greater value attributed to property on the date of acquisition of investments consolidated on a line-by-line basis	(966)	(39)	(1,005)
Other	(851)	311	(540)
Consolidated Accounts at March 31, 2007	886,964	61,078	948,042

● Post balance sheet date events

There were no other post balance sheet date events which could have a material impact on the Group's financial position or result of operation.

● Outlook

In the light of results recorded in the first months of 2007, the outlook for the current year is positive.

Basiglio, May 10, 2007

For the Board of Directors
The Chairman
(Roberto Ruozi)

MEDIOLANUM S.p.A.

SCHEDULES
**Parent
Company's
Accounts
at March 31
2007**

Balance sheet

Assets

€	March 31, 2007	Dec. 31, 2006
Non current assets		
Receivables from shareholders for unpaid calls	-	-
Fixed assets		
Intangible assets	100,488	124,735
Tangible assets	235,103	302,004
Investments in subsidiaries and associates	550,809,118	550,809,118
Available-for-sale financial assets	280,596,210	299,465,421
Total Non current assets	831,740,919	850,701,278
Current assets		
Current assets		
Subsidiaries	747,196	37,995,253
Related parties	20,914	264,086
Others	17,640,421	17,377,027
Total Receivables	18,408,531	55,636,366
Cash and cash equivalents		
Bank deposits	48,070,245	27,664,748
Cash	14,400	12,817
Total Cash and cash equivalents	48,084,645	27,677,565
Tax Assets		
Current	57,935,240	56,474,713
Deferred	163,134	166,477
Total Tax Assets	58,098,374	56,641,190
Other assets	135,243	60,069
Total Current assets	124,726,793	140,015,190
TOTAL ASSETS	956,467,712	990,716,468

Shareholders' equity and liabilities

€	March 31, 2007	Dec. 31, 2006
Shareholders' equity and liabilities		
Capital and reserves		
Share capital	72,884,332	72,883,532
Treasury shares	(2,045,116)	(2,045,116)
Share premium account	50,526,814	50,484,670
Retained earnings	112,820,075	112,648,114
Valuation reserve for AFS financial instruments	102,612,415	120,485,331
Net profit (loss) for the period	193,739,971	-
Utile del periodo	31,148,267	193,739,971
Total Capital and reserves	561,686,758	548,196,502
Non current liabilities		
Completion-of-service entitlements	1,597,147	1,679,544
Total Non current liabilities	1,597,147	1,679,544
Liabilities		
Current liabilities		
Due to banks	275,419,816	226,999,684
Other financial liabilities at amortised cost	43,620,518	93,620,518
Due to suppliers	1,118,382	919,371
Other payables	2,258,352	47,881,821
Tax liabilities		
Current	54,924,506	54,924,506
Deferred	5,719,949	6,716,243
Other liabilities	10,122,284	9,778,279
Total Current liabilities	393,183,807	440,840,422
TOTAL LIABILITIES	394,780,954	442,519,966
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	956,467,712	990,716,468

Income Statement

€	March 31, 2007	March 31, 2006
Commission income	-	43,447,194
Commission expense		
acquisition of insurance contracts	-	(42,351,634)
other	-	(11,526)
Interest income and similar income	363,860	243,582
Interest expense and similar charges	(3,215,100)	(2,293,876)
Gains/losses from trading	459	131
Income from equity investments		
dividends from subsidiaries	36,464,500	42,967,409
gains on sale of equity investments	-	-
Income from other financial instruments		
dividends from available-for-sale financial assets	-	3,765,798
gains from available-for-sale financial assets	-	-
Impairment losses on		
equity investments	-	-
Other income	193,023	202,874
Staff costs	(1,843,028)	(1,843,949)
Other administrative expenses	(1,842,824)	(1,640,306)
Other expenses		
losses on disposal of property, plant and equipment	(1,728)	-
other expenses	(286,809)	-
Amortisation and depreciation		
intangible assets	(24,247)	(61,785)
tangible assets	(58,016)	(98,100)
Tax expense		
current	1,401,520	(104,170)
deferred	(3,343)	558,927
Total tax expense	1,398,177	454,757
NET PROFIT (LOSS) FOR THE PERIOD	31,148,267	42,780,569

Cash flow statement

Indirect method

€/000	March 31, 2007	March 31, 2006
Profit (loss) before tax for the period	29,750	42,781
Changes in non-monetary items		
Completion-of-service entitlements	(83)	56
Amortisation and depreciation	82	160
Stock Options	172	170
Changes in receivables and payables relating to operating activities		
Changes in other receivables and payables	(7,988)	(40,818)
Income tax paid	-	-
Net cash from monetary items relating to investment and financial activities	-	-
NET CASH FROM OPERATING ACTIVITIES	21,933	2,349
Net cash from subsidiaries, associates and joint ventures	-	-
Net cash from available-for-sale financial assets	-	-
Net cash from tangible and intangible assets	11	(4)
Other cash flows from investment activities	-	-
NET CASH FROM INVESTING ACTIVITIES	11	(4)
Net cash from equity instruments	43	308
Net cash from treasury shares	-	-
Distribution of dividends	-	-
Net cash from subordinated liabilities	-	-
Net cash from other financial liabilities	(1,580)	(1,280)
NET CASH FROM FINANCING ACTIVITIES	(1,537)	(972)
Effect of exchange rate changes on cash and cash equivalents	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	27,678	13,873
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	20,407	1,373
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	48,085	15,246

Statement of changes in shareholders' equity

€	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)

€	Balance at Jan. 1, 2007	Appropriation of prior year's profit	
		Reserves	Dividends and other
Share capital	72,883,532	-	-
Share premium account	50,484,670	-	-
Reserves:			
a) retained earnings	112,648,114	-	-
b) other	-	-	-
Valuation reserves:			
a) AFS fin. instruments	120,485,331	-	-
Treasury shares	(2,045,116)	-	-
Net profit (loss)	193,739,971	-	-
Shareholders' equity	548,196,502	-	-

Movements in the year							
Shareholders' Equity						Net profit for the year Dec. 31, 2006	Shareholders' equity at Dec. 31, 2006
Change in reserves	Share issues	Purchase of treasury shares	Extraordinary dividend distribution	Change in equity instruments	Stock options		
-	145,539	-	-	-	-	-	72,883,532
-	2,171,370	-	-	-	-	-	50,484,670
-	-	-	(61,917,513)	-	711,456	-	112,648,114
-	-	-	-	-	-	-	-
17,536,520	-	-	-	-	-	-	120,485,331
-	-	-	-	-	-	-	(2,045,116)
-	-	-	-	-	-	193,739,971	193,739,971
17,536,520	2,316,909	-	(61,917,513)	-	711,456	193,739,971	548,196,502

Movements in the year							
Shareholders' Equity						Net profit for the year March 31, 2007	Shareholders' equity at March 31, 2007
Change in reserves	Share issues	Purchase of treasury shares	Extraordinary dividend distribution	Change in equity instruments	Stock options		
-	800	-	-	-	-	-	72,884,332
-	42,144	-	-	-	-	-	50,526,814
-	-	-	-	-	171,961	-	112,820,075
-	-	-	-	-	-	-	-
(17,872,916)	-	-	-	-	-	-	120,612,415
-	-	-	-	-	-	-	(2,045,116)
-	-	-	-	-	-	31,148,267	224,888,238
(17,872,916)	42,944	-	-	-	171,961	31,148,267	561,686,758