

Consolidated income statement of the Group, including the financial statements of controlled companies excluded from consolidation of insurance companies, drawn up on a line-by-line basis.

Reclassified Income Statements

Euro in thousands

	Mediolanum Group		Core Business	
	31/12/2003	31/12/2002	31/12/2003	31/12/2002
	(*)	(*)	(**)	(**)
Premiums from insurance activities				
Gross premiums written	2.132.664	2.145.697	2.062.828	2.122.993
Reinsurance ceded	(7.687)	(10.183)	(7.675)	(9.969)
Commission income from financial activities and other income				
Entry fees	34.676	35.512	31.477	30.458
Management fees	161.183	164.803	142.811	145.372
Performance fees	85.435	41.248	84.496	41.248
Bank service margin	80.657	82.255	69.779	68.739
Bank interest spread	69.609	38.245	54.897	26.698
Other commissions	13.156	8.675	9.827	8.423
Other revenues	6.705	11.263	7.980	10.333
Total revenues	2.576.398	2.517.515	2.456.420	2.444.295
Change in Life insurance reserve and service to policyholders, net of reinsurance	(1.923.019)	(1.911.894)	(1.861.135)	(1.890.573)
Acquisition costs, net of reinsurance	(209.961)	(213.357)	(189.073)	(194.657)
General costs	(226.048)	(219.394)	(184.621)	(178.629)
Amortisation/depreciation and provisions	(78.303)	(72.165)	(49.857)	(46.446)
Net investment and asset income	24.723	22.180	18.004	20.463
Figurative proceeds from shareholdings in New Ventures (***)	0	0	8.103	11.148
Adjustments to the value of financial investments	(686)	(15.587)	(686)	(15.587)
Operating profit	163.104	107.298	197.155	150.014
Non-recurring extraordinary income and charges	(12.332)	1.732	(8.629)	1.414
PROFIT BEFORE TAXES	150.772	109.030	188.526	151.428
Taxes for the year	(21.360)	(27.083)	(24.109)	(30.769)
Profits from minority interests	(15)	(102)	0	0
PROFIT FOR THE YEAR PERTAINING TO THE GROUP	129.427	82.049	164.417	120.659

(*) Consolidated Mediolanum Group (also including the "new ventures" Fibanc Group, Gamax Group, Banca Esperia Group, Bankhaus August Lenz & Co. AG, Mediolanum Private S.A.M., Mediolanum International Life Ltd, Mediolanum International S.A.).

(**) Consolidated Mediolanum Group –"core business".

(***) For the purpose of drawing up the consolidated income statement relating to the "core business", these proceeds are figurative. The amount is equal to the financial burden coming from the related investment.

**Consolidated Financial Statements of the Group, including the statements of subsidiaries
excluded from consolidation drawn up on a line-by-line basis according
to the accounting method for insurance companies.**

BALANCE SHEET

ASSETS

Euro/thousands

	Mediolanum Group		Core Business	
	31/12/2003	31/12/2002	31/12/2003	31/12/2002
	(*)	(*)	(**)	(**)
Tangible and Intangible assets	156.902	180.209	124.224	142.674
Consolidation difference	140.689	160.476	0	0
Shareholdings	192.887	190.810	495.945	479.368
Financial investments	4.582.373	4.623.632	4.470.126	4.457.577
Company's own shares	2.092	2.014	2.092	2.014
Investments on behalf of Life policyholders, carrying the risk and from pension fund management	7.187.768	5.353.599	7.106.972	5.353.599
Financial receivables	159.569	94.219	159.597	94.219
Due from reinsurers current and deposit accounts	3	0	3	0
Loans to customers	376.760	341.343	178.754	129.778
Loans to Fininvest Group and Doris Group companies	1.771	9.467	1.605	6.663
Sundry assets	217.127	369.818	170.712	129.233
Liquid assets	467.292	1.068.163	279.135	1.026.034
Accrued income and prepaid expenses	40.326	34.394	38.274	29.984
	13.525.559	12.428.144	13.027.439	11.851.143

SHAREHOLDERS' EQUITY AND LIABILITIES

	Mediolanum Group		Core Business	
	31/12/2003	31/12/2002	31/12/2003	31/12/2002
	(*)	(*)	(**)	(**)
Share capital	72.567	72.537	72.567	72.537
Other reserves	354.469	350.820	402.924	366.371
Minority interest in capital and reserves	5.977	6.359	0	0
Profit for the year	129.427	82.049	164.417	120.658
Life insurance technical reserves net of reinsurance	1.231.232	1.334.194	1.229.640	1.334.266
Life insurance technical reserves, when the risk is carried by policyholders, and reserves from pension fund management	7.187.025	5.353.223	7.106.229	5.330.802
Risk and contingency funds	42.517	36.569	33.671	25.089
Employee severance fund	10.450	9.497	10.450	9.497
Due to reinsurers current and deposit accounts	110.544	133.509	110.439	133.393
Subordinated loans	0	0	0	0
Utilisation of credit lines	290.000	300.000	290.000	300.000
Due to credit institutions/ customer deposits	3.907.189	4.503.637	3.448.758	3.951.830
Due to suppliers and financial consultants	82.880	68.645	75.347	67.849
Due to Fininvest Group and Doris Group Companies	3.857	1.337	4.038	1.054
Due to shareholders	0	0	0	0
Due to tax authorities	35.844	28.829	36.037	23.531
Payables and other liabilities	54.189	135.201	38.640	108.214
Accruals and deferred income	7.392	11.738	4.282	6.052
	13.525.559	12.428.144	13.027.439	11.851.143

(*) Consolidated Mediolanum Group with "new ventures" Fibanc Group, Gamax Group, Banca Esperia Group, Mediolanum International Life Ltd, Bankhaus August Lenz & Co. AG, Mediolanum Private S.A.M, Mediolanum International S.A.

(**) Consolidated Mediolanum Group without "new ventures" (core business).