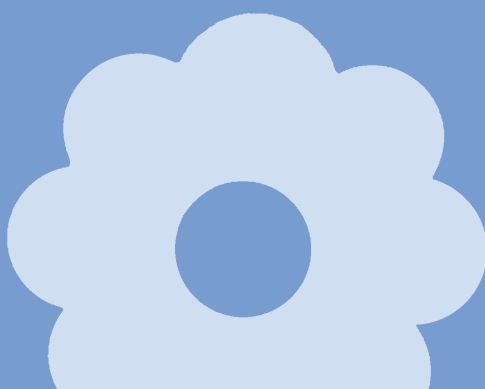


MEDIOLANUM S.P.A.

*2001
ANNUAL REPORT
AND CONSOLIDATED
ACCOUNTS*



MEDIOLANUM
GRUPPO MEDIOLANUM

Mediolanum's mission
is to enhance
the financial resources
of Italian families and satisfy
their insurance, pension, savings and
investment needs.

Table of Contents

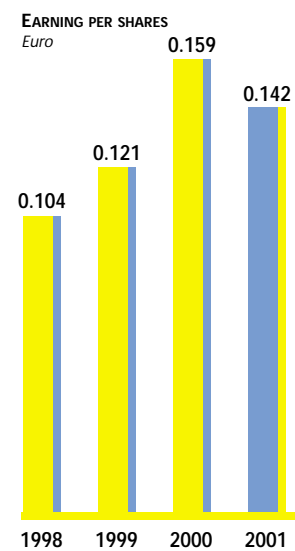
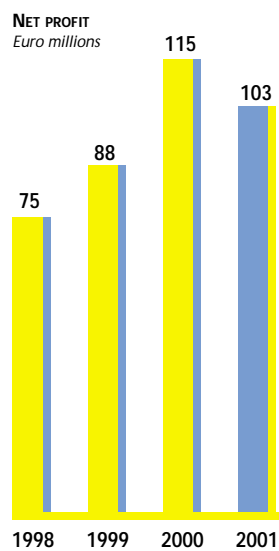
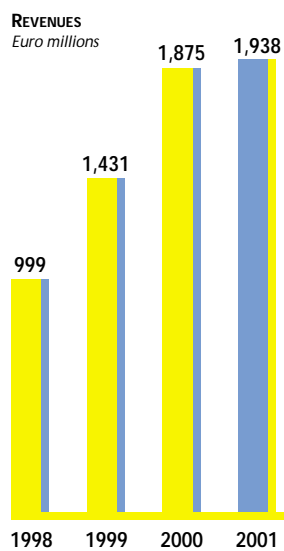
I	Results at a glance
II	Mediolanum S.p.A. Officers of the Company
III	Management profiles
IV	Mediolanum and innovation
1	Consolidated financial statements at December 31, 2001
71	Financial statements at December 31, 2001

Results at a glance

<i>Euro millions</i>	2001	2000	Change
Revenues	1,938	1,875	3.36
Profit before taxes and extraordinary items	128	158	-18.99
Taxes	36	43	-16.28
Net profit	103	115	-10.43
Dividends	72	69	4.35

Euro

Earning per shares	0.142	0.159	-10.47
Dividends per shares	0.10	0.09	11.11



Mediolanum S.p.A. Officers of the Company

BOARD OF DIRECTORS

Roberto Ruozi
Alfredo Messina
Edoardo Lombardi
Ennio Doris
Marina Elvira Berlusconi
Massimo Antonio Doris
Alessandro Grimaldi
Mario Molteni
Angelo Renoldi
Paolo Sciumè
Claudio Sposito
Antonio Zunino

Chairman of the Board of Directors
Deputy Chairman
Executive Vice President
Chief Executive Officer
Director
Director
Director
Director
Director
Director
Director
Director

BOARD OF STATUTORY AUDITORS

Arnaldo Mauri
Achille Frattini
Francesco Antonio Giampaolo
Ferdinando Gatti
Francesco Vittadini

Chairman of the Board of Statutory Auditors
Statutory Auditor
Statutory Auditor
Alternate Statutory Auditor
Alternate Statutory Auditor

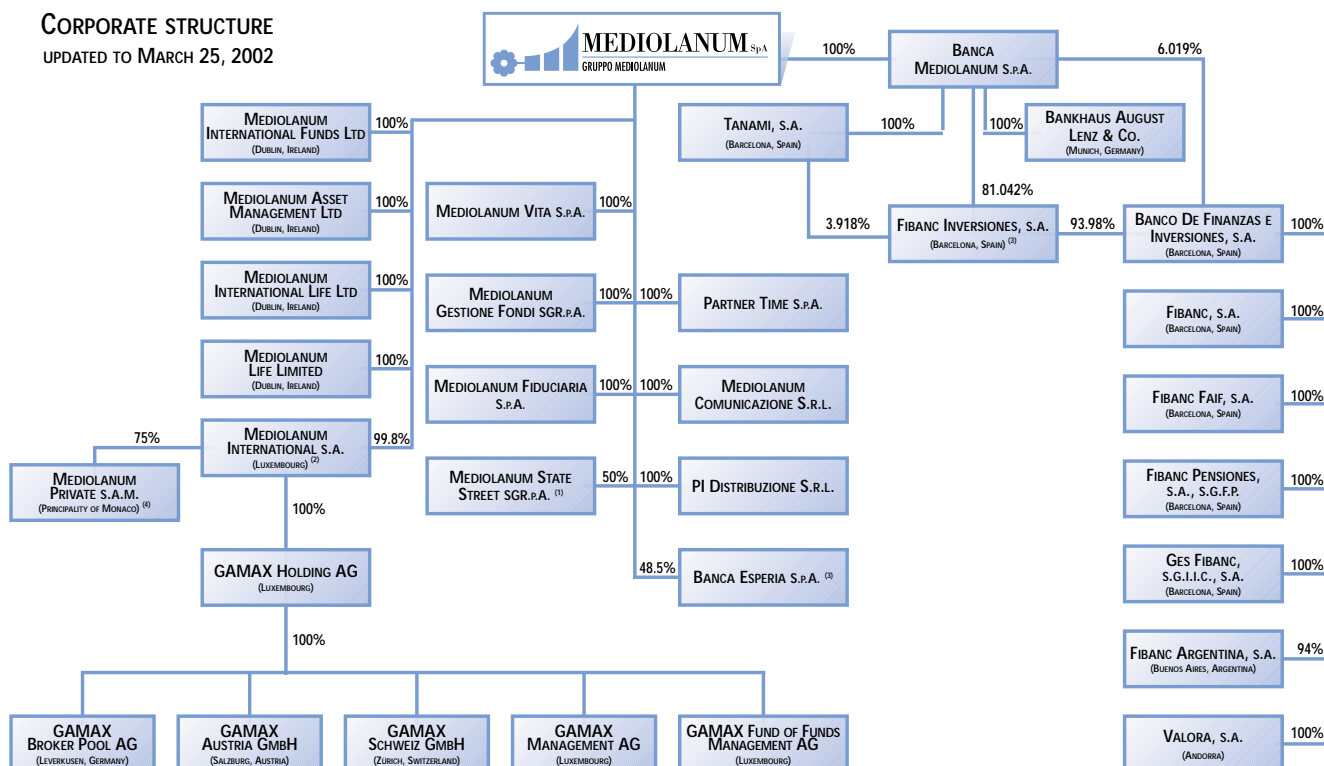
SECRETARY OF THE BOARD

Luca Maria Rovere

INDEPENDENT AUDITORS

Arthur Andersen S.p.A.

CORPORATE STRUCTURE UPDATED TO MARCH 25, 2002



(1) As of March 22, 1999 the remaining 50% of the capital is held by State Street Bank Europe Ltd.

(2) The remaining 0.2% of the capital is held by Banca Mediolanum S.p.A.

(3) The remaining capital is held by third parties

(4) The remaining 25% of the capital is held by Compagnie Monégasque de Banque

Management profiles



ALFREDO MESSINA
Deputy Chairman

While at Olivetti, he held the position of Controller of the Production Group and, at Alitalia, he was Central Director of the Group responsible for administration, finance and control. From 1989 he was Central Director for Planning and Control at IRI. He joined Fininvest in 1990, first as General Manager, and then, during the period February-July 1996, he was Chief Executive Officer for the same holding company. He is currently Chairman of Mediolanum Vita S.p.A., of Mediolanum Assicurazioni S.p.A., and a member of the Board of Directors of Mediaset S.p.A.

ENNIO DORIS
Chief Executive Officer

After working as a financial consultant with Fideuram and then with the Ras Group, he marked a turning-point in his career by founding, along with Silvio Berlusconi, the Financial Brokerage network Programma Italia where he always held the position of Chief Executive Officer. He has control of Mediolanum S.p.A. on a par basis with the Fininvest Group, resulting from the merger of Fininvest Italia S.p.A., Fintre S.p.A. and Programma Italia S.p.A.. He is the Chairman and Chief Executive Officer of Banca Mediolanum S.p.A., and a member of the Board of Directors of Mediobanca S.p.A. and Banca Esperia S.p.A.

ROBERTO RUOZI
Chairman
of the Board of Directors

After having taught at the Universities of Ancona, Siena, Parma, Paris (Sorbonne) and at Politecnico University, in Milan, he is currently Ordinary Professor of Economics for financial Brokers at Università Commerciale "L. Bocconi" in Milano. He is the author of a number of publications on banking and financial issues. He has held key administrative positions in both listed and unlisted Companies. He is currently the Chairman of Factorit S.p.A., Palladio Finanziaria S.p.A., Touring Club Italiano, Piccolo Teatro di Milano, Brevi S.p.A., Eplanet S.p.A. He is a Director on the Boards of Merloni Elettrodomestici S.p.A. and Mediaset S.p.A.

EDOARDO LOMBARDI
Executive Vice President

He held the position of Corporate General Manager at Procter & Gamble Italia, and General Manager of the Sangemini/Ferrarelle Group. In 1987 he became General Manager of Fininvest Italia S.p.A., the insurance and financial products division of the Fininvest Group, and in 1989 he became the Managing Director of Mediolanum Vita S.p.A. and Mediolanum Assicurazioni S.p.A. He is currently responsible for the co-ordination and supervision of the group, as well as holding the positions of Managing Director of Mediolanum Vita S.p.A., Mediolanum Assicurazioni S.p.A., and Member of the Board of Directors of Banca Esperia S.p.A.

Mediolanum and innovation

Innovation is a positive concept – a concept that is usually praised, especially by the top management of companies. Yet, innovation is only able to generate great results when it is deeply rooted in the corporate culture.

This happens to be the case at Mediolanum, where over 90% of 2001 net revenues were generated by products and services that did not exist five years ago.

Other companies, on the other hand, are faced with quite the opposite situation, with a number of only 10%.

The inability to achieve substantial revenues through innovation results from the difficulty of being aware of the importance of innovation, of identifying the structural and cultural changes needed to promote it, or of translating innovative ideas into concrete plans that are rich in commercial value.



At the same time, innovation means “to modify something that already exists”, as well as “to introduce something new”: thus, it entails a spectrum of changes that range from minor improvements to big revolutions. Both kinds are important, and must occur in all functional areas of the corporation, not just the areas of research and product development.

Mediolanum is a good illustration of this theory, and its culture extends an interest in innovation to everyone in the company, as well as the possibility to take part in its realisation, making it possible to pursue both extremes of the spectrum.

What are some of the characteristics that best contribute to Mediolanum's success in this field?

1. **Mediolanum has a high level of “curiosity”:** it constantly explores new opportunities, investigates other markets, particularly those that are most developed, and examines a variety of scenarios while researching innovation opportunities.

2. **Mediolanum boasts an extensive background and know-how in all the main financial service areas:**

Life insurance, mutual funds, and banking services. This is the result of the “Global Advisor” concept that Mediolanum was the first to implement more than twenty years ago, and that proved to be paramount for the development of a diversified know-how on both a technical and commercial level and that the Company today possesses.

3. **Mediolanum constantly focuses on the search for new value for the customer:**

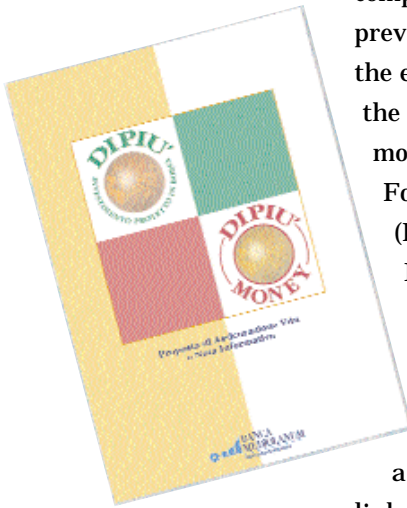
the existing skills and intellectual capital of the Company are constantly focused on the development of new applications that can increase customer satisfaction.

4. **Mediolanum has institutionalised procedures to**

“destroy the past”. Two innovation styles currently coexist in the Company: “managed innovation”, which relies on clearly defined processes and pre-set priorities; here, rational and organised research prevails over that which is more spontaneous and intuitive. The other is “open innovation”, where processes are driven by individual enthusiasm. Both employees and advisors regard change as a natural and positive thing. The desire to put everything up for question is deeply rooted and strongly supported by corporate culture. The first style generates major product and process changes, the second a steady performance improvement.



Now let's illustrate with a few examples the contribution made by these characteristics to innovation at Mediolanum.



- **The introduction of Index-Linked policies.** Until 1995, the Life Insurance market in Italy was characterised by a basic lack of competitiveness: both products and fees were the same in all of the companies operating in the sector, since the supervisory body prevented developments that were not authorised. However, with the enforcement of EU Directives, the situation radically changed and the market was liberalised overnight. By then, Mediolanum had been monitoring the most developed markets for quite a long time. For instance, it has been associated for years with LOMA (Life Office Management Association), the U.S. Association of Life Insurance Companies, and has maintained a close relationship with the U.K. financial market for many years. In this market, Index-Linked policies had already been launched some time before. Mediolanum's expertise in the Mutual Fund and Asset Management sectors allowed it to rapidly develop and launch a product named DiPiù at the end of 1995. This was the first index-linked policy to appear on the Italian market, as well as in Continental Europe. The competitors – insurance and financial companies – would follow in its footsteps after few years, which enabled Mediolanum to hold the market leadership in this domain for quite a long time.

- **The utilisation of Teletext for customer communication.** In 1996, when Mediolanum decided to create a bank of its own and opted for a branchless distribution network, the question was put of how to enable customers to check on their accounts from a remote location.



At that time, the level of Internet penetration in Italy was virtually nil. During a visit to a major local bank in Switzerland, some Mediolanum managers learnt that a test had been made utilising Teletext to provide information to customers, but without any success. The idea, which could have been immediately discarded for a large number of reasons, first of all the lack of privacy (to be overcome by anonymous communication), was, on the contrary, patiently developed, and Teletext was successfully launched in a matter of a few months.

- **The utilisation of corporate encrypt TV for communication to the commercial network.** The idea to set up a network to support the Advisors, and to provide them with information, training and motivational tools, was born in 1988, when Pay-TV was taking its first steps in Italy. After the start-up of the project at the end of 1989, the main innovative effort was to fully develop in-house the production and content-making know-how. Meanwhile, Advisors were identified who had a the right quality profile and an interest in managing the project, not for entertainment purposes, but to achieve business goals. Today, our in-house TV network is not only able to develop programmes at extremely competitive costs, but has allowed us to initiate a project addressing the entire customer community: Mediolanum Channel, which is expected to reach significant commercial results in the next few years.



- **The programme aimed at the reduction of administrative errors, in particular those that may be perceived by customers.** These are the so-called “critical contacts” which are carefully monitored with the objective of reducing their frequency, and ideally, getting rid of them. This programme focuses on the activity of “Improvement Groups” which are inter-functional teams made up of employees who, beyond their normal work, take on the commitment on a voluntary basis of identifying and implementing changes to products and processes in order to eliminate problems that have been identified. Today, at any given time, approximately 20% of Mediolanum employees are involved in this activity, which is also proving to be an exceptional opportunity for personnel training and development, as well as for helping the employees to take on an entrepreneurial approach to their own job.

We could continue the list of projects Mediolanum has focused on in its innovation research; but, it is perhaps more useful to consider some behaviours that foster the development of an environment within the company that is ripe for innovation :

- Not accepting the “status quo”. Managers whose time is taken up by repetitive and fairly easy tasks are unlikely to come up with new ideas – they often resort to the alibi of being “too busy” as a barrier to change. At Mediolanum, managers critically examine and review all sources of business in order to identify those that limit performance and inhibit change.
- Investigating the value and significance of any idea before focusing on its negative aspects. When faced with an innovative proposal, the temptation to point out problems rather than potential is very strong indeed, but the culture that has developed inside the company is strongly against this kind of behaviour.
- Accepting conflicts of ideas, not of personality. At Mediolanum, we say that “competition is necessary outside, and teamwork inside”. Teamwork is based on a constructive conflict of ideas – this means



that people discuss problems seriously, openly recognising the existence of different points of view, trying to understand the reason why these differences exist, and endeavouring to solve the conflict. In less innovative companies, this process is limited, or removed altogether.

- Encouraging a diversity of opinions. Periodically, Mediolanum management performs a “check-up” on the health of a given part of the organisation with the objective of evaluating its strengths and weaknesses. This helps to create a more up-to-date vision for

the future and will set off a warning signal when the company’s appraisal of the situation no longer reflects reality. These diagnoses always provide a push towards innovation.

The capacity to innovate is one of the main features that Mediolanum is known for in the financial and savings markets.

At Mediolanum, we are all committed to keeping innovation alive, so as to ensure and accelerate its future growth.

MEDIOLANUM GROUP

*CONSOLIDATED
FINANCIAL STATEMENTS
AT DECEMBER 31, 2001*



Summary

	Consolidated Financial Statements at December 31, 2001
3	Directors' report on the consolidated financial statements at December 31, 2001
17	Attachments to the Directors' Report
21	Appendix to the Directors' Report on the consolidated financial statements at December 31, 2001
29	Consolidated financial statements at December 31, 2001
34	Notes to the consolidated financial statements at December 31, 2001
63	Attachments
69	Independent Auditors' report on the consolidated financial statements at December 31, 2001
71	Mediolanum S.p.A. Financial Statements at December 31, 2001
72	Ordinary and Extraordinary Shareholders' meeting of April 23, 2002
75	Consob notice of February 20, 1997
76	Directors' Report on the financial statements at December 31, 2001
91	Financial statements at December 31, 2001
95	Notes to the financial statements
111	Attachments and Tables
128	Table of shareholdings as per Article 120, clause 3 of Legislative Decree no. 58/1998
134	Statutory Auditors' Report on the financial statements at December 31, 2001
137	Independent Auditors' Report on the financial statements at December 31, 2001

Directors' report on the consolidated financial statements

Drawn up as per Law Decree
no. 173/97

Dear Shareholders,

In 2001, the Mediolanum Group obtained very satisfactory results particularly considering the marked slowing of the world economy, suffering from one of the major shocks in its recent history.

Against this background, Mediolanum has once again proven its soundness: in 2001, the Group managed to hit record net inflows over 2000.

Net profit for the period amounted to 103,255 thousand Euro (2000: 115,443 thousand Euro), after operating income taxes of 35,996 thousand Euro (2000: 42,764 thousand Euro) (see attached financial statements consolidated on a line-by-line basis).

Results were influenced by goodwill amortisation for the new acquisitions (Fibanc Group and Gamax Group), financial charges related to these investments and start-up costs for Banca Esperia S.p.A..

Without these new investments, the results of the Mediolanum Group would have been 120,090 thousand Euro, thus higher than the 118,593 thousand Euro result of 2000.

Growth in total revenues coming from life insurance premiums and commissions was at 3.4%, from 1,875 million Euro in 2000 to 1,938 million Euro in 2001.

Total assets under administration at December 31, 2001 amounted to 21,396 million Euro, a 19.9% increase over the previous year.

To be in compliance with current regulations, the Group must draw up the consolidated financial statements according to the accounting method for insurance companies, excluding from the consolidation the companies carrying out banking and asset management activities. Therefore, we deemed it appropriate, as in previous years, to provide a clear, overall profile of the Group activities, with the intent of highlighting the economic and financial asset data of the Group in a clear and coherent way.

The companies Mediolanum S.p.A. and the controlled companies Mediolanum Vita S.p.A., Partner Time S.p.A and Mediolanum International Life Ltd (acquired on August 23, 2001, formerly Western International Life Ltd) were consolidated on a line-by-line basis.

The controlled companies Banca Mediolanum S.p.A., Mediolanum Gestione Fondi SGR.p.A., Mediolanum International Funds Ltd, PI Distribuzione S.r.l., Mediolanum Comunicazione S.r.l., Mediolanum Fiduciaria S.p.A., Mediolanum State Street SGR.p.A., Mediolanum Asset Management Ltd,

**CONSOLIDATED
VALUES
ACCORDING TO
THE ACCOUNTING
METHOD
FOR INSURANCE
COMPANIES**

Mediolanum International S.A. were consolidated using the equity method. Likewise, the Fibanc Group companies, the Gamax Group companies – that Mediolanum International S.A. gained control of last year – Banca Esperia S.p.A. and its controlled companies were valued using the equity method. Net profit for the period amounted to 103,255 thousand Euro (2000: 115,443 thousand Euro) with after-tax operating profit totalling 15,426 thousand Euro (2000: 14,527 thousand Euro) after consolidating on a line-by-line basis. Gross premiums amounted to 1,608 million Euro (2000: 1,533 million Euro). In particular, new production was 1,023 million Euro (2000: 1,058 million Euro).

THE MARKETS IN WHICH THE GROUP OPERATES

The trends in financial markets in 2001 were characterized by extremely volatile stock prices in almost all of the international financial markets; and at year end, the main stock exchange indexes were extremely negative, due to a steady slowdown in the world economy.

The terrorist attacks on the Twin Towers in New York City on September 11 accentuated the economic crisis, bringing about a strong reduction in consumption and investments – a trend that the expansive economic and monetary policies implemented by the main Central Banks were unable to offset.

In particular, the fast-growth sectors, such as technology and telecommunications, closed 2001 with very unsatisfactory results, due to a progressive deterioration in corporate profit estimates and in growth prospects. The results of the sectors in the so-called ‘old economy’ also had poor results: oil securities due to a fall in crude oil prices, service distributing companies due to the bankruptcy of one of the major US companies in the sector, and pharmaceutical companies due to the release of profit warnings.

The slackening of short-term interest rates – a policy implemented in particular by the US Federal Reserve – and an increased aversion to risk on the part of savers allowed, on the other hand, a revaluation on bond investments.

The worsening of the economic situation in Argentina, which generated a severe political and institutional crisis, resulted in major losses in government securities and currency.

Direct Bank inflows in 2001 totalled 829.5 billion Euro, an increase of 6.6%, compared with +2.8% in the year 2000.

THE BANKING MARKET

As for indirect bank inflows, securities under deposit grew 4% over the previous year, reaching 1,573,104 million Euro. Bank asset management accounted for 11.5% of indirect inflows.

Lending by the banks in 2001 grew at a slower pace than in 2000, even though levels are comparatively higher than those of funding, mainly due to the world economy slowdown. The total amount of lending by the banks in Italy at the end of 2001 was 925.2 billion Euro, an increase of 8% over the previous year, as compared with +14.3% in 2000 over 1999.

Financing to households was less substantial: +6% at the end of 2001 (+10.4% end of 2000).

In 2001, gross inflows from Italian mutual funds (Assogestioni data) came to 214,706 million Euro (-35.76% with respect to 2000).

THE MUTUAL FUND MARKET

At December 31, 2001, the total assets of mutual funds under Italian legislation amounted to 403,678 million Euro (-10.28% with respect to 2000).

In 2001, there was a marked acceleration in the reallocation of financial portfolios in the private sector in Italy. There was a strong divestment in the more risky financial activities, both directly and through mutual funds. Savings investments were mainly channelled towards activities with a high level of liquidity.

In 2001, the insurance market was characterised by both a new fiscal system and turbulence in the financial markets; as a consequence, Life premiums written came to 47,514 million Euro (+12%), against 42,608 million Euro (+18%) of the previous year. New business reached approximately 35,809 million Euro (2000: 30,987 million Euro).

THE LIFE INSURANCE MARKET

On average, 2001 was not a positive year for unit-linked products, which accounted for 26% of total new business, against almost 50% for the year 2000; new business on unit-linked policies totalled about 14,564 million Euro, with a decrease in the region of 7% over 2000. The new index-linked business was, on the contrary, favourable: approximately 11,274 million Euro, a 23% increase over the previous year.

Traditional products also regained ground in 2001, totalling approximately 9,575 million Euro (+45% over 2000), equal to 27% of total new business sold compared to 21% in 2000.

**PERFORMANCE OF
THE SECTORS
WHERE THE GROUP
OPERATES**

The analysis of the market share with reference to the distribution channels highlighted the following results: bank branches 68%, agents 14%, while the market share of the financial advisors was at 11%. The share held by the post office was on the rise, reaching a 7% share (3% in 2000).

The positive results achieved in 2001 by the Mediolanum Group take on considerable value if we consider the ongoing crisis in international financial markets.

Total net inflows, which include the Life business, mutual funds, asset management and direct and indirect bank inflows, reached an historic record at 3,437 million Euro, surpassing last year's record by 7% (3,225 million Euro).

The globalisation of markets and the success of the Group in the Italian market are the stimulus for expanding into foreign markets throughout Europe with the Mediolanum model, and for reinforcing the presence of the Group in Italy.

In 2001, the process of expansion of the Group continued with the acquisition of the Gamax Group, which includes companies operating in Germany, Luxembourg, Austria and Switzerland.

Gamax is a Group of companies involved in asset management and in the distribution of financial products.

In Italy, Banca Esperia S.p.A., a joint-venture (50-50) with Mediobanca S.p.A. operating in the private banking field, became operative in Italy.

Results for the year 2001 are shown below.

**MEDIOLANUM GROUP
EXCLUDING NEW
INVESTMENTS
(CORE BUSINESS)**

In order to facilitate a comparison with the previous year's results and to better understand the managerial aspects, the performance of the Mediolanum Group excluding the Fibanc Group, the Gamax Group and Banca Esperia S.p.A. is covered herein.

The Fibanc Group was included in the Mediolanum Group's consolidation area as of July 2000, and its activity involves a client base in a market geographically different from that of Mediolanum.

The Gamax Group was acquired on October 1, 2001, whereas Banca Esperia S.p.A. started operations during 2001.

The performance and the results of the Fibanc Group, the Gamax Group and Banca Esperia S.p.A. are addressed in a separate section.

The relationship with the customer, based on the personal relationship with the Global Advisor and on the direct communication via the Call Center, as well as innovative technologies and a multi-channel approach, was further enhanced with new Internet capabilities, such as on-line trading of funds and versions of on-line trading specially intended for heavy traders.

In February, the product offer was enhanced with the launch of a new version of Chorus, which is a managed account in funds units, enhancing the existing lines with additional risk profiles.

The performance of Banca Mediolanum S.p.A. during the year was more than satisfactory: at December 31, 2001 there were about 297,252 current accounts (2000: 219,144: +35.6%). Cash deposits at the same date totalled 2,075.16 million Euro (2000: 1,343.82 million Euro: +54.4%). The equivalent value of securities held in safe custody amounted to 2,715.94 million Euro (2000: 1,947.04 million Euro: +39.5%), for a total of 4,817.42 million Euro assets under administration (2000: 3,316.69 million Euro: +78.8%).

Net profits of companies operating in the banking sector in which investments are held, valued on an equity basis

<i>Euro in thousands</i>	31.12.2001	31.12.2000
Banca Mediolanum S.p.A.	6,506	5,773

The results obtained were more than satisfactory, in spite of the ongoing crisis in international financial markets.

The funds under Irish legislation Challenge and Top Managers were also enhanced with new compartments.

Total gross inflows for the mutual fund and managed account business amounted to 3,116.5 million Euro (2000: 3,270.8 million Euro), whereas net inflows totalled 1,024 million Euro (2000: 1,116.4 million Euro). Total assets under management at December 31, 2001 rose to 9,645.8 million Euro (+10.4% over 2000).

Net profits of companies operating in the management field in which investments are held, valued on an equity basis:

<i>Euro in thousands</i>	31.12.2001	31.12.2000
Mediolanum Gestione Fondi SGR.p.A.	12,783	19,835
Mediolanum International Funds Ltd	76,85	72,128

THE LIFE BUSINESS

The Mediolanum Group's capacity to penetrate the market in the Life business was yet again confirmed. In fact, Tax Benefit, which is a new version of the existing product Europension and which satisfies the requirements set by the new fiscal regulation that permits the tax deduction of contributions made into Individual Pension Plans was launched successfully.

In June, Mediolanum Vita S.p.A. further expanded its line of products through Life Funds, a unit-linked whole life policy.

Customers are free to choose the asset allocation of their investments, selecting one or more of the seven internal funds available, according to their tolerance to volatility and their time horizon objectives for the investment. The customer is free at any time to request the full or partial liquidation of the capital corresponding to the counter-value of the share of internal insurance funds assigned to the contract.

Total gross inflows for 2001 totalled 1,602.2 million Euro, a 4.5% increase over 2000 (1,532.5 million Euro).

New business amounted to 1,022.9 million Euro (2000: 1,058.2 million Euro).

Deferred annuities and recurring premiums rose 42.1%.

Life reserves totalled 6,661 million Euro (2000: 6,162.7 million Euro).

Total payments for the year relating to individual policies for surrenders, claims, maturity and income amounted to 517 million Euro, whereas total payments for Group policies were 45.3 million Euro.

OTHER PRODUCTS

During the year, the Group increased its presence in the field of pension fund management through the companies Mediolanum State Street, Mediolanum Gestione Fondi and Mediolanum Vita. As at December 31, 2001, assets under management totalled 428.7 million Euro (2000: 286.3 million Euro).

In 2001, the distribution continued among Group clients of Abbey National Bank home loans, for about 113 million Euro (2000: 95.7 million Euro).

Profits for the year of other companies valued on an equity basis

<i>Euro in thousands</i>	31.12.2001	31.12.2000
Mediolanum State Street SGR.p.A.	444	62
Mediolanum Asset Management Ltd	447	(51)
Mediolanum Comunicazione S.r.l.	102	(42)
Mediolanum Fiduciaria S.p.A.	(15)	(21)
PI Distribuzione S.r.l.	(187)	(258)

It should be noted that Mediolanum Fiduciaria S.p.A. is now inactive and its future utilisation is under evaluation.

The loss relating to PI Distribuzione S.r.l is attributable to the stagnation of the hotel and tourist resort market and the resulting drop in volume.

NEW INVESTMENTS

THE FIBANC GROUP

Spain was not spared from the negative performance in the international stock markets, which reduced the revenues of all the brokerage companies operating in the Spanish market.

The Fibanc Group, whose results currently depend on stock brokerage activity, also recorded a drop in the volume of transactions and a consequent reduction in profits.

The development of the sales network was positive, reaching 464 agents and commercial employees compared to 412 of the previous year (+12.6%).

Volumes

<i>Euro millions</i>	31.12.2001	31.12.2000
Assets under administration	1,944.2	2,113
Gross inflows	315	N.D.
Net inflows	(119)	185

Employees

	31.12.2001	31.12.2000
Clerical personnel	287	285
Managers	20	19
TOTAL	307	304

Net profit of the Fibanc Group

<i>Euro in thousands</i>	31.12.2001	31.12.2000
Fibanc Group	305	2,483(*)

(*) Profit from July 21, 2000 to December 31, 2000.

THE GAMAX GROUP

October 1, 2001, the acquisition of the The Gamax Group was finalised. It includes the Luxembourg company Gamax Holding AG and the controlled fund management companies Gamax Management AG and Gamax Funds of Funds AG, and distribution companies in Germany, Austria and Switzerland.

Volumes of the Gamax Group

<i>Euro in thousands</i>	31.12.2001
Assets under administration	623.3
Gross inflows	150.6
Net inflows	112.6

The sales network consists of 1,540 agents with a multiple mandate.

Net profit of the Gamax Group

<i>Euro in thousands</i>	31.12.2001
Gamax Group	1,684

BANCA ESPERIA S.P.A.

Volumes

<i>Euro millions</i>	31.12.2001
Assets under administration (*)	1,211
Gross inflows	207
Net inflows	35

(*) The value of assets managed net of SICAV subscribed by Banca Esperia's clients within individual management programmes totalled 992 million Euro.

Net profit of Gruppo Bancario Banca Esperia S.p.A.

<i>Euro in thousands</i>	31.12.2001
Gruppo Bancario Banca Esperia S.p.A.	(6,305)

EVENTS OF 2001

- The Mediolanum Channel was inaugurated on January 10, 2001 with the aim of reaching viewers consisting mainly of Mediolanum Group customers whose interest would not only be in issues related to managed savings and pension plans, but also in other areas such as travel, leisure time, well-being and so on.

A further investment of 15.3 million Euro was made to the associated company Banca Esperia S.p.A. (formerly DueMme S.p.A) for a share capital increase.

- In March 2001, the interest in Fibanc Inversiones S.A. was increased to 69.92% through the acquisition of minor shareholdings, entailing costs of an additional 6.5 million Euro.

Banca Mediolanum executed a fully subscribed share capital increase of Banco de Finanzas e Inversiones S.A. for a total amount of 2,000 million Pesetas (equal to approximately 12 million Euro) in order to increase the TIER 1 capital of the company.

- On May 7, the acquisition of a 10% interest was finalised in the company Tredicimarzo S.r.l. for a financial commitment of about 14 million Euro, with the intention of maintaining the Group's weight within the voting block of Mediobanca S.p.A.

- On July 25, Mediolanum Private S.a.m. was set up as a joint venture with Compagnie Monégasque de Banque, obtaining all the necessary authorisations. This company provides management, brokerage and consultancy activities to private customers in Monte Carlo.

The company's share capital is 500,000 Euro, 75% of which is held by Mediolanum and 25% by Compagnie Monégasque de Banque.

- On August 23, a 100% interest was acquired in Western International Life Ltd, a Dublin-based insurance company, for 3.8 million Euro.

The company, subsequently named Mediolanum International Life Ltd, was reinforced with a 11.2 million Euro share capital contribution.

- On October 1st, a 100% interest was acquired in the Luxembourg company Gamax Holding AG, which controls the distribution companies in Germany and Austria, Gamax Finanzdienste Vermittlungs Gmbh and Gamax Austria, and the management company Gamax Management AG. This entailed a 70 million Euro financial investment. A price increase is provided for in the three year period 2002/2004 in the event that the growth targets specified in the plan are achieved.

- The German market was the focus of the acquisition that was finalised in January 2002 of Bankhaus August Lenz & Co. for 12.5 million Euro. The preliminary agreement was signed on July 30, 2001.

- In November, the transfer of our interest held in Vicenza Life Ltd and Vicenza Funds Ltd to Banca Popolare di Vicenza, was finalised at a gain of 11.5 million Euro.

- In December 2001, the acquisition of 3.4% of the share capital of Consortium S.r.l. was subscribed for 28.7 million Euro, with the intention of maintaining the Group's weight within the voting trust of Mediobanca S.p.A..

- The advertising campaign was carried on with during 2001 and continued to be effective in increasing the brand awareness of Banca Mediolanum S.p.A.. The related advertising expenses came to 11.4 million Euro as at December 31, 2001 (2000: 17.2 million Euro) and were entirely expensed during the year.

INVESTMENTS OF THE GROUP

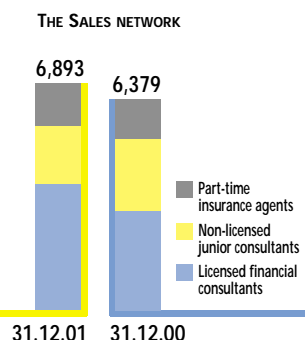
During 2001, the Mediolanum Group concluded investments in the technological field to consolidate and enhance the range of services provided to customers, as well as to support the sales network.

The updating of IT systems for the introduction of the Euro was completed before the due date of December 31, 2001, and entirely expensed in 2001 at approximately 4,576.8 thousand Euro.

THE SALES NETWORK

In 2001, the sales networks increased by an additional 514 people, mainly with a banking background and professional qualifications.

The Banca Mediolanum network is in first place in Italy in terms of the number of licensed financial advisors.



	31.12.2001	31.12.2000
Licensed financial advisors (Banca Mediolanum S.p.A.)	3,842	3,018
Non-licensed financial advisors (Banca Mediolanum S.p.A.)	1,743	2,163
Partner Time insurance agents	1,308	1,198
TOTAL	6,893	6,379

In 2001, the first 47 Mediolanum Points ("Punto Mediolanum") were opened. These offices, providing financial consultancy, are characterised by a uniform layout and a coordinated corporate design and image. Some of them are ATM-equipped.

HUMAN RESOURCES

Also in 2001, special emphasis was put on human resource development. Training activities continued so as to train newcomers and develop their teamwork skills.

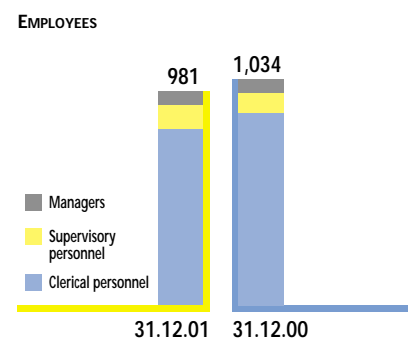
Training activities were also carried out with the support of multimedia programmes.

Thanks to careful planning of human resource development, those who had entered the Call Center in previous years were given the opportunity to transfer to other positions within the company, thus promoting their own professional growth.

Employees

The number of employees of the Mediolanum Group grew as follows:

	31.12.2001	31.12.2000
Clerical personnel	811	879
Supervisory personnel	106	95
Managers	64	60
TOTAL	981	1,034



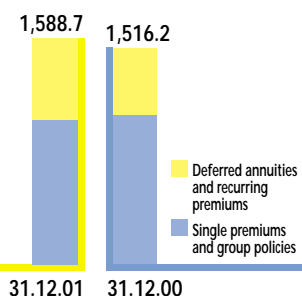
The Mediolanum Group, following the enactment of Legislative Decree no.173/97 (specifically article 58, point 2), has the obligation of drawing up the consolidated financial statements according to the accounting method for insurance companies. Since it was not possible to consolidate the companies belonging to the Mediolanum Group on a line-by-line basis due to the presence of companies whose activity is not insurance related within the framework of their institutional tasks (Banca Mediolanum S.p.A., Mediolanum Gestioni Fondi SGR.p.A., Mediolanum International Funds Ltd, Fibanc Inversiones S.A. and its controlled companies), the consolidated financial statements contain insurance information, which calls for consolidating the above companies operating in the banking and financial fields on an equity basis. Since we felt it was fundamental to provide the reader an overall profile of the Group, we have also provided an appendix that is consolidated on a line-by-line basis: this allows a comparison of the most significant Income Statement items, reclassified using management criteria. The goal was to provide a clear, easily read document for a more accurate comprehension of the Mediolanum Group; it is not intended to provide information about the changes between the accounting balances 2001 and 2000.

RESULTS COMMENTARY

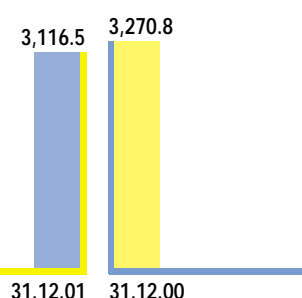
VOLUME

Volume is broken down by main business lines and developed as follows:

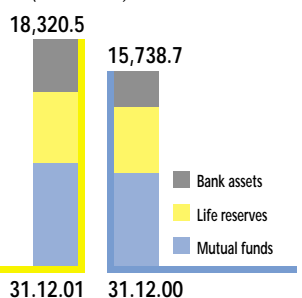
SALES LIFE
Total premiums (Euro millions)



SALES FUNDS
Total sales gross (Euro millions)



ASSETS UNDER ADMINISTRATION
(Euro millions)



Inflows of managed accounts products (*)

Euro millions	31.12.2001	31.12.2000	Change %
Life insurance products			
<i>New business</i>			
- Deferred annuities and recurring premiums	195.5	137.6	42.1
- Single premiums and Group policies	827.4	920.7	(10.1)
TOTAL NEW BUSINESS	1,022.9	1,058.3	(3.3)
<i>In-force business</i>			
- Deferred annuities	521.1	434.7	19.9
- Recurring single premiums	58.1	39.6	46.7
TOTAL IN-FORCE BUSINESS	579.3	474.3	22.1
TOTAL PREMIUMS WRITTEN	1,602.2	1,532.6	4.5
(less) premiums ceded	(13.5)	(16.4)	(17.7)
TOTAL LIFE PREMIUMS	1,588.7	1,516.2	4.8
Financial products			
<i>Mutual accounts funds and managed accounts</i>			
- Gross consolidated inflows	3,116.5	3,270.8	(4.7)
- Net consolidated inflows	1,024.0	1,116.4	(8.3)

(*) The above data does not include new investments (Fibanc Group, Gamax Group, Mediolanum International Life Ltd).

Consolidated assets under administration

Euro millions	31.12.2001	31.12.2000	Change %
- Life reserves	6,661.0	6,162.7	8.1
- mutual funds and managed accounts	9,645.8	8,734.8	10.4
- direct and indirect bank inflows	4,817.4	3,316.5	45.3
- pension funds	428.7	286.3	49.7
- consolidation adjustments	(3,232.4)	(2,761.6)	(17.0)
MEDIOLANUM TOTAL	18,320.5	15,738.7	16.4
- Fibanc assets under administration	1,944.2	2,113.3	(8)
- Mediolanum international assets under administration	5.7	-	-
- Gamax assets under administration	623.3	-	-
- Banca esperia assets under administration	502.3	-	-
GROUP TOTAL	21,396.0	17,852.0	19.9

EMBEDDED VALUE

Considering the importance embedded value has for a more meaningful interpretation of the development of the Mediolanum Group, the following information regarding embedded value is provided, calculated by Tillinghast-Towers Perrin, the insurance consultancy division of Towers, Perrin, Forster & Crosby Inc.

Embedded value is defined as the sum of shareholders' equity, taking into account the assets at market value and the value of in-force business. The value of the in-force Life business is the present value of future after-tax statutory profits that are expected to be generated from all the existing policies at the valuation date, adjusted for the cost of holding an appropriate level of solvency capital. The value of the in-force mutual fund business is calculated in a similar way to the value of in-force Life business, without the adjustment for the cost of capital because mutual funds do not require solvency margins. The results of such a valuation are shown in the following table:

Embedded value

<i>Euro millions</i>	31.12.2001	31.12.2000	Change %
Embedded value	1,917	1,588	+21

Embedded value includes goodwill pertaining to the Fibanc and Gamax controlled companies of 149 million Euro, not yet amortised as at December 31, 2001.

Embedded value earnings, which is defined as the change in embedded value for the year, adjusted for dividends paid or the contribution of new capital, provide a measure of performance of the Group.

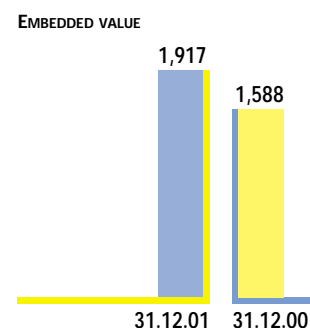
Embedded value earnings for the year

<i>Euro millions</i>	31.12.2001	31.12.2000
Change in embedded value in the year before Fibanc and Gamax acquisition	341	309
Dividends paid	69	50
embedded value earnings for the year before Fibanc and Gamax acquisition	410	359

Embedded value earnings for the year, after the acquisition of Fibanc and Gamax and taking into account the goodwill effect, is 342 million Euro.

Sales volume of unit-linked products led to a further, significant increase in embedded value earnings for the Group for the year.

The main bases and assumptions used in calculating embedded value in greater detail compared to the above are included in the appendix.



OWN SHARES

Over the year, the parent company Mediolanum S.p.A. purchased 1,136,500 of its own shares (corresponding to 113.6 thousand Euro of nominal value, equal to 0.1567% of share capital), for a total of 11,852.4 thousand Euro, following the appropriate shareholder decision. The balance at December 31, 2001 was 7,598 thousand Euro equal to 746,500 shares at a nominal value of 74.6 thousand Euro, representing 0.1029% of the share capital.

691,500 shares were sold during the year with a net capital gain of 697 thousand Euro.

SIGNIFICANT POST BALANCE SHEET EVENTS

On January 3, 2002, the direct and indirect interest held by Banca Mediolanum S.p.A. in Fibanc Inversiones S.A. was increased from 69.92% to 84.96%, entailing costs of 30.2 million Euro.

On January 17, 2002, the banking company Bankhaus August Lenz & Co., based in Munich (Germany) was acquired at a price of 12.4 million Euro.

On March 21, 2002, a further share capital increase of 10 million Euro was subscribed and paid-in in order to provide the controlled company Banca Mediolanum S.p.A. with the assets necessary to support the development of its activity.

In spite of the heavy shifts in financial markets, the first months of the current year highlighted a positive trend: sales in the Life sector and the growing number of current accounts can be regarded as satisfactory.

The trends observed in the companies of the Mediolanum Group during the first few months of 2002 lead us to believe that the performance of the year will be positive.

For the Board of Directors
The Chairman
(Mr. Roberto Ruozzi)

MEDIOLANUM GROUP

*ATTACHMENTS
TO THE DIRECTORS'
REPORT*



BALANCE SHEET
ASSETS

Consolidated financial statements, including the financial statements of controlled companies excluded from consolidation according to the accounting method for insurance companies, drawn up on a line-by-line basis.

<i>Euro in thousands</i>	31.12.2001 (*)	31.12.2000 (*)	31.12.2001 (**)	31.12.2000 (**)
Intangible assets	199,949	208,210	171,745	182,234
Consolidation difference	153,491	97,582	0	0
Shareholdings	193,017	146,905	421,788	267,772
Financial investments	5,020,652	4,178,483	4,820,150	4,070,449
Own shares held	7,598	4,094	7,598	4,094
Investments allocated to Life policyholders, carrying the related risk and from pension fund management	4,611,622	3,669,596	4,611,622	3,669,596
Financial receivables	65,226	252,393	65,226	35,817
Accounts receivable from reinsurers current and deposit accounts	0	4	0	4
Accounts receivable	254,742	209,858	92,274	29,503
Accounts receivable Fininvest Group and Doris Group companies	2,785	2,092	2,785	2,092
Other accounts receivable and assets	127,210	161,330	89,652	122,792
Liquid assets	476,395	262,474	256,646	247,319
Prepayments and accrued income	2,304	47,979	1,215	41,181
TOTAL ASSETS	11,114,991	9,241,000	10,540,701	8,672,853

(*) Consolidated Mediolanum Group with new projects Fibanc Group, Gamax Group (2001 only), Banca Esperia (2001 only) Mediolanum International Life Ltd (2001 only).

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

<i>Euro in thousands</i>	31.12.2001 (*)	31.12.2000 (*)	31.12.2001 (**)	31.12.2000 (**)
Share capital	72,502	74,883	72,502	74,883
Other reserves	319,986	272,536	324,267	272,536
Minority interest in capital and reserves	11,637	11,531	0	0
Profit for the period	103,255	115,443	120,090	118,593
Life insurance technical reserves net of reinsurance	1,874,691	2,194,607	1,873,399	2,194,607
Life insurance technical reserves, when the risk is carried by policyholders, and reserves from pension fund management	4,611,366	3,669,596	4,606,973	3,669,596
Provisions for risks and charges	27,370	23,472	22,211	19,582
Employee termination indemnity	8,291	7,329	7,837	6,566
Accounts payable reinsurers current and deposit accounts	182,395	203,773	182,395	203,773
Subordinated loans		20,935		17,435
Utilisation of credit lines	277,022	172,939	277,022	171,806
Accounts payable customer deposits	3,427,114	2,240,433	2,889,431	1,721,741
Accounts payable Financial consultants	58,115	85,814	55,466	85,814
Accounts payable Fininvest Group and Doris Group companies	2,364	3,910	2,364	3,910
Accounts payable Shareholders	0	217	0	217
Accounts payable tax authorities	20,553	19,932	20,539	18,377
Other accounts payable and liabilities	114,977	114,866	83,100	91,985
Accruals and deferred income	3,353	8,784	3,105	1,433
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	11,114,991	9,241,000	10,540,701	8,672,853

SHAREHOLDERS' EQUITY AND LIABILITIES

(*) Consolidated Mediolanum Group with new projects Fibanc Group, Gamax Group (2001 only), Banca Esperia (2001 only) Mediolanum International Life Ltd (2001 only).

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

INCOME STATEMENT

<i>Euro in thousands</i>	31.12.2001 (*)	31.12.2000 (*)	31.12.2001 (**)	31.12.2000 (**)
Premiums from insurance activities				
- Gross premiums written	1,607,588	1,532,608	1,602,176	1,532,608
- Reinsurance ceded	(13,511)	(16,440)	(13,511)	(16,440)
Commission income from financial activities and other income				
- Underwriting commissions	47,690	94,496	45,796	94,496
- Management commissions	160,182	133,023	137,392	128,987
- Performance commissions	19,488	41,140	19,488	41,140
- Bank service margin	62,034	49,942	53,006	37,787
- Bank interest spread	42,774	25,830	31,596	20,857
- Other commissions	6,536	11,264	6,440	5,370
- Other revenues	5,586	3,539	2,791	3,369
TOTAL REVENUES	1,938,367	1,875,402	1,885,174	1,848,174
Change in Life insurance reserves and service to policyholders, net of reinsurance	(1,343,401)	(1,302,902)	(1,338,268)	(1,302,902)
Acquisition costs, net of reinsurance	(232,838)	(239,171)	(218,192)	(232,580)
Overhead	(204,609)	(170,741)	(177,355)	(156,012)
Amortisation/depreciation and provisions	(54,468)	(38,050)	(38,975)	(30,820)
Net investment and asset income	39,208	45,241	50,295	45,474
Adjustments to the value of financial investments	(14,633)	(11,488)	(15,745)	(11,536)
OPERATING PROFIT	127,626	158,289	146,934	159,797
Non-recurring extraordinary income and charges	11,653	732	11,519	695
PROFIT BEFORE TAXES	139,279	159,022	158,453	160,492
Taxes for the year	(35,996)	(42,764)	(38,363)	(41,899)
Profits from minority interests	28	815	0	0
PROFIT FOR THE YEAR PERTAINING TO THE GROUP	103,255	115,443	120,090	118,593

(*) Consolidated Mediolanum Group with new projects Fibanc Group, Gamax Group (only 2001), Banca Esperia (only 2001) Mediolanum International Life Ltd (only 2001).

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

Embedded value and embedded value earnings of the Life insurance, mutual funds and managed accounts business of the Mediolanum Group

Embedded value is an actuarial estimate of the economic value of a company, excluding any value attributable to future new business.

Embedded value is defined as the sum of shareholders' net assets valuing assets at market value and the value of in-force business. The value of in-force Life business is the present value of the stream of future after-tax statutory profits that are expected to be generated from all the existing policies at the valuation date, adjusted for the cost of holding an appropriate level of solvency capital. The value of in-force mutual fund and managed accounts business is calculated in a similar way to the value of in-force Life business, without an adjustment for the cost of capital, since this business does not require solvency margins.

The embedded value of the Group at December 31, 2001 was calculated by Tillinghast-Towers Perrin, the financial services consultancy division of Towers, Perrin, Forster & Crosby Inc. The values attributable to Life insurance and asset management businesses are shown separately; and figures for 1999 and 2000 are also shown for comparative purposes.

In calculating the embedded value of the Group, numerous assumptions (some of which are shown below) were made concerning Life, mutual funds and managed accounts business; with respect to industry performance, business and economic conditions and other factors, many of which are outside the Mediolanum Group's control. Although the assumptions used represent estimates that the Mediolanum Group believes are reasonable, actual future operating conditions and actual future experience may differ from those assumed in the calculation of the embedded value. Consequently, the inclusion of embedded value herein should not be regarded as a statement by the Mediolanum Group, or any other entity, that the stream of future after-tax statutory profits used to produce the embedded value will be achieved.

In order to provide more complete information, the embedded value for the year 2001 is shown both before and after the elimination of the goodwill included in the consolidated financial statements relating to the recent acquisition of the Fibanc Group and the Gamax Group, still to be amortised as at December 31, 2001.

The values shown in the following table were calculated using economic assumptions and discount rates which were considered appropriate at the respective valuation dates. All values were calculated assuming current taxation on the streams of future statutory profits and, for in-force Life insurance business, are net of the cost of maintaining solvency capital at 100% of the EU minimum margin.

Embedded value at December 31

<i>Euro millions</i>	1999	2000	2001
Shareholders' net assets	390	453	494
Value of in-force Life business	706	873	1076
Value of in-force mutual funds and managed accounts	187	262	347
EMBEDDED VALUE INCLUDING FIBANC AND GAMAX GOODWILL	1,283	1,588	1,917
Fibanc and Gamax goodwill	0	(92)	(149)
EMBEDDED VALUE EXCLUDING FIBANC AND GAMAX GOODWILL	1,283	1,496	1,768

Shareholders' net assets shown above are equal to the consolidated net assets of the Group adjusted to reflect the market values of the underlying assets, net of any implicit Life policyholder interest in such revaluation, and net of tax. To calculate the values shown above, projected future after-tax profits were discounted at 8% for 1999, 7.75% for 2000 and 2001. These discount rates have changed from year to year to reflect changes in the prevailing levels of interest rates, which, in turn, form the basis for the assumptions used to project future investment returns on the assets backing the technical reserves of the Life business and on the investments of the various mutual funds and fund management services.

The discount rate appropriate to any shareholder or investor will depend on his or her specific requirements, tax position and perception of the risks associated with the realisation of future profits. To allow potential investors to analyse the effect of using various discount rates, the embedded value for the Group as at December 31, 2001 was calculated at discount rates of 7.25% and 8.25%, respectively, net of the cost of maintaining solvency capital at 100% of the EU minimum required for Life business. All other assumptions, in particular inflation rates and investment returns, were kept constant when calculating the values at alternative discount rates.

Analysis of embedded value sensitivity to discount rates at December 31, 2001

Euro millions

Discount rate	8.25%	7.75%	7.25%
Shareholders' net assets	494	494	494
Value of in-force Life business	1,025	1,076	1,130
Value of in-force mutual funds and managed accounts business	338	347	356
EMBEDDED VALUE INCLUDING GOODWILL	1,857	1,917	1,980
Fibanc and Gamax goodwill	(149)	(149)	(149)
EMBEDDED VALUE EXCLUDING GOODWILL	1,708	1,768	1,831

Embedded value earnings, which are defined as the change in embedded value for the year, adjusted for the payment of dividends and the contribution of capital, provide a measure of performance during the year.

EMBEDDED VALUE EARNINGS FOR THE YEAR

The following table shows the embedded value earnings of the Mediolanum Group in the years 1999, 2000 and 2001.

Embedded value earnings for the year

<i>Euro millions</i>	1999	2000	2001
Change in embedded value for the year	539	305	329
Goodwill amortisation quota	0	4	12
Dividends paid	41	51	69
EMBEDDED VALUE FOR THE YEAR BEFORE ACQUISITIONS	580	360	410
Fibanc and Gamax effect on the year	0	(97)	(68)
EMBEDDED VALUE FOR THE YEAR AFTER ACQUISITIONS	580	263	342

Embedded value earnings for the year consist of the following components:

- The expected return on embedded value earnings at the start of the year (“expected return”), equal to the after-tax investment return assumed at the start of the year on shareholders’ net assets less solvency capital, plus a return at the discount rate on the sum of in-force business and solvency capital at the start of the year.
- Variances during the year (“experience variances”), caused by difference between actual experience of the year and the assumptions used to calculate the embedded value at the start of the year, before the impact of new sales during the year.
- The impact of changes in assumptions at the end of the year for operating, but not economic or fiscal experience (“operating assumption variances”).

- Changes in assumptions regarding future experience used to calculate the value of in-force business at the end of the year relating to economic conditions (“economic assumption variances”), including the discount rate and investment returns.
- The introduction in 2000 of Dual Income Tax (D.I.T.) and the “Visco” tax breaks, the decrease in the Irpeg tax charge from 2001 and the increase in the Irish tax charges from 2006 (“tax assumption variances”).
- The conversion of mutual funds into managed accounts consists of a reduction in the value of the in-force mutual fund business following the switch to managed accounts (“conversion of funds into managed accounts”).
- The “value added by new business”, initially calculated at the point of sale using year end assumptions, and then capitalised to the end of the year at the discount rate, taking into account any variances between actual and assumed experience during the period.
- The effect of the elimination of the goodwill associated with the acquisition of Fibanc that took place in 2000, and with the increase in the relevant interest and the subscription in full of the share capital increase in Banco de Finanzas e Inversiones in 2001, as well as with the acquisition of 100% of Gamax in 2001.

The following table shows the embedded value earnings of the Mediolanum Group for the years 1999, 2000 and 2001.

Components of embedded value earnings

<i>Euro millions</i>	1999	2000	2001
Expected return	39	90	99
Experience variances	315	(22)	(64)
Operating assumption variances	10	(60)	38
Economic assumption variances	64	8	(14)
Tax assumption variances	0	8	0
Conversion of funds into managed accounts	0	0	(22)
EARNINGS ON INITIAL EMBEDDED VALUE	428	24	37
New Life business	102	195	222
New mutual fund and managed accounts business	50	141	64
New managed accounts business from fund conversion	0	0	87
VALUE ADDED BY NEW BUSINESS	152	336	373
VALUE ADDED FOR THE YEAR BEFORE GOODWILL	580	360	410
Effect of Fibanc on the year	0	(97)	(8)
Effect of Gamax on the year	0	0	(60)
VALUE ADDED FOR THE YEAR AFTER GOODWILL	580	263	342

Description of key embedded value elements for 2001.

Experience variances resulted in a decrease in the embedded value earnings for the year, mainly due to a reduction in fund and asset management business, and in the assets underlying the technical reserves for 93 million Euro arising from lower actual returns than those assumed. These decreases were partially offset by lower surrender of Life and fund in-force business over the assumptions for 26 million Euro.

Changes to operating assumptions which generated an increase in embedded value of 38 million Euro for the year, are due to the reduction in the management costs of Irish funds and to a reduction in the average duration of a Life capital accumulation product and fund management services.

The negative impact of changes to economic assumptions is mainly due to a reduction in the projected return for segregated funds.

The value added by new Life business increased by 14% compared to 2000. This result is attributable to a higher volume and a more extensive presence of unit-linked products in 2001 sales. New Life business relates to new policies issued during the year excluding those resulting from the transformation or switch of existing policies.

The value added by new mutual fund and managed accounts business is 55% lower than 2000 due to lower inflows into mutual funds and managed accounts. New funds and managed accounts business, defined as the sum of retail gross inflows net of internal switches within the funds and managed accounts, totals 85 million Euro for instalment plans in mutual funds, 891 million Euro of lump-sum investments in mutual funds and 400 million Euro for managed accounts.

This decrease was partly offset by the value generated by the conversion of mutual funds into managed accounts, consisting of 87 million Euro of new investments in managed accounts, net of 22 million Euro from the converted mutual funds.

In order to evaluate the effect of other discount rates on the new Life, mutual fund and managed accounts business, embedded value for the 2001 new business was calculated using discount rates of 7.25% and 8.25%, respectively, net of the cost of maintaining solvency capital at 100% of the EU minimum required for Life business. In calculating these values with alternative discount rates, all the other assumptions – including in particular those relating to inflation and return on investments – were unchanged.

Analysis of embedded value sensitivity to discount rates for new business

Euro millions

Discount rate	8.25%	7.75%	7.25%
New Life business	211	222	235
New mutual fund and fund management business	63	64	66

ASSUMPTIONS

The main assumptions used in the embedded value calculations are set out below:

- Average gross returns for new investments in 10-year fixed rate government bonds were set at 5.65% in the 1999 valuation, at 5.25% in the 2000 valuation and at 5.20% in the 2001 valuation. Total gross return on equities was assumed at 8.15% for 1999, and 7.75% for 2000 and 2001. Pre-tax investment returns on assets backing technical reserves were set consistent with the underlying levels of interest rates on government bonds, taking into consideration the relevant asset mix, resulting in assumptions of 5.10%, 5.10% and 4.85% per annum for the segregated funds. In 1999, the impact of unrealised capital gains in the segregated funds was taken as an adjustment to net shareholders' assets, whereas for 2000 and 2001 the effect was already included in the rate of investment return assumed. Investment returns on unit-linked funds, mutual funds and managed accounts business were set consistent with the underlying levels of interest rates on government bonds and were adjusted for the asset mix in each fund, with average results for 2001 equal to 6.85% and 6.55%, respectively.
- Tax on the stream of statutory profits coming from Group companies subject to Italian taxation was assumed at an average tax rate of 42% for 1999. For the 2000 and 2001 valuation, an average tax rate of 41% was applied to 2001 and 2002, and 40% to 2003 onwards. From the 2000 valuation, future profits projected for the company operating under Irish legislation were subject to the current fiscal regime of 10% up until 2005, and 12.5% from 2006 onwards, plus the impact of the treatment of profits repatriated to Italy, as compared to the overall rate of 11.85% utilised for 1999.
- Assumed future rates of mortality, lapse, and other discontinuances, including total and partial divestment rates for the funds business were derived from an analysis of the Mediolanum Group's recent operating results and, where appropriate, took into consideration relevant industry conditions. In the Life business, in light of current statistics, a margin for potential adverse mortality rates due to Aids has been allowed for.

- The inflation rates assumed to project future increases in the premiums of the policies, allowing for increases in line with the consumer price index, were 2.5% per annum for 1999, 2000 and 2001.
- The general and administrative costs incurred by the Group for the Life and fund business were subdivided by business line and within each line the costs pertaining to the investment, the acquisition of new business or the management of in-force business. Management costs expressed as a lump-sum for each policy will be increased 3% per annum for the valuations for the years 1999, 2000 and 2001.
- Assumed levels of commission and override payments to agents and sales-people were based on the Mediolanum Group's recent operating experience.
- Participation rates on Life policies and management charges on fund contracts were assumed to continue in the future at the prevailing levels on the date of each valuation.
- It was assumed that no changes will be made in the methods and bases used to calculate technical reserves and surrender values.
- Performance fees are a source of profit for the fund business, and an assumption regarding potential future performance fees was introduced in the 1997 valuation, which was increased at the end of 1999. Experience variances in the analysis of the components of embedded value earnings registered an increase in embedded value earnings of 23 million Euro in 1999, 26 million in 2000, and 9 million in 2001, as a result of actual experience exceeding the assumptions used at the beginning of the year. At the end of 2000, the assumption for performance fees was increased for Irish bond funds.
- Reinsurance of in-force Life policies outside the Mediolanum Group was taken into account and mainly relates to various financing treaties written on a quota-share basis in the years up to 1994. No new financing reinsurance arrangements have been effected since 1995.
- The cost of solvency capital was based on the assumption that the required level of solvency capital is 100% of the minimum EU solvency margin, and that assets (mainly bonds) backing solvency capital earned an average annual pre-tax return of 5.10% in the 1999 and 2000 valuation, and 4.85% in 2001. Based on these assumptions, the cost of capital which was deducted from the discounted value of future after-tax statutory profits to determine the value of in-force Life business shown above, was 59 million Euro in 1999, 39 million Euro in 2000, and 46 million Euro in 2001.

MEDIOLANUM GROUP

*CONSOLIDATED
FINANCIAL STATEMENTS
AT DECEMBER 31, 2001*



Balance sheet

ASSETS	<i>Euro in thousands</i>	31.12.01	31.12.00
A) Due from shareholders for share capital still to be paid in		0	0
B) Intangible assets			
1. Unamortised acquisition commissions		0	0
2. Other acquisition costs		0	0
3. Goodwill		0	0
4. Other intangible assets		22,720	30,369
5. Consolidation difference		159	0
TOTAL INTANGIBLE ASSETS		22,879	30,369
C) Investments			
I - Land and buildings		77,472	80,190
II - Investments in Group companies and other shareholdings			
1. Shares and quotas in			
a) parent companies		0	0
b) controlled companies		429,313	277,895
c) affiliated companies		99	77
d) associated companies		21,637	16,111
e) other companies		171,282	128,487
2. Bonds		0	7,566
3. Financial loans		2,066	671
TOTAL INVESTMENT IN GROUP COMPANIES AND OTHER COMPANIES		624,397	430,807
III - Other financial investments		0	
1. Shares and quotas		4,206	256
2. Quotas of mutual funds		194,524	343,533
3. Bonds and other fixed income securities		1,185,239	1,769,783
4. Financial loans		16,818	20,794
5. Quotas of common investments		0	0
6. Deposits with credit institutions		54,808	175,734
7. Other financial investments		374,993	0
TOTAL OTHER FINANCIAL INVESTMENTS		1,830,588	2,310,100
IV - Funds held by ceding companies		0	0
TOTAL INVESTMENTS		2,532,457	2,821,097
D) Investments allocated to life policyholders, carrying the related risk and from pension fund management		4,611,622	3,669,596
D bis) Reinsurers' share of technical reserves			
I - Non-life			
1. Premiums reserve		0	0
2. Claims reserve		0	0
3. Other		0	0
TOTAL NON-LIFE		0	0
II - Life			
1. Mathematical reserves		179,449	198,119
2. Reserves for amounts to be paid		1,225	3,370
3. Other		0	0
4. Technical reserves when the risk is carried by policyholders and reserves from pension fund management		0	0
TOTAL LIFE		180,674	201,489
TOTAL REINSURERS' SHARE OF TECHNICAL RESERVES		180,674	201,489
E) Receivables			
I - Due from direct insurance operations		37,472	19,501
II - Due from reinsurance operations		0	4
III - Other receivables		50,891	47,632
TOTAL RECEIVABLES		88,363	67,138
F) Other assets			
I - Tangible assets		3,932	3,461
II - Liquid assets		278,913	159,841
III - Own shares or quotas		7,598	4,094
IV - Other assets		17	17
TOTAL OTHER ASSETS		290,460	167,413
G) Pre-payments and accrued income		21,973	24,938
TOTAL ASSETS		7,748,428	6,982,039

<i>Euro in thousands</i>	31.12.01	31.12.00
A) Capital and reserves		
I - Pertaining to the Group:		
1. Subscribed capital or equivalent	72,502	74,883
2. Net equity reserves	100,254	99,632
3. Consolidation reserve	103,775	95,715
4. Reserve for difference in valuation regarding shares in non-consolidated companies	108,282	73,096
5. Reserve for exchange rate difference	77	0
6. Reserves for own shares and shares of the parent company	7,598	4,094
7. Profit (loss) for the period	103,255	115,443
TOTAL GROUP SHAREHOLDERS' EQUITY	495,743	462,863
II - Minority interests	0	0
1. Share capital and reserves	0	0
2. Profit (loss) for the period	0	0
TOTAL MINORITY INTERESTS	0	0
TOTAL CAPITAL AND RESERVES	495,743	462,863
B) Subordinated liabilities	0	0
C) Technical reserves		
I - Non-life		
1. Premiums reserve	0	0
2. Claims reserve	0	0
3. Equalisation provision	0	0
4. Other	0	0
TOTAL NON-LIFE	0	0
II - Life		
1. Mathematical reserve	1,965,869	2,303,912
2. Reserve for amounts to be paid	44,939	40,652
3. Other	44,557	51,532
TOTAL LIFE	2,055,365	2,396,096
TOTAL TECHNICAL RESERVES	2,055,365	2,396,096
D) Technical reserves when the risk is carried by policyholders and reserves from pension fund management	4,611,366	3,669,596
E) Provisions for risks and charges		
1. Provisions for retirement pensions and similar obligations	0	0
2. Provision for taxes	29,126	19,732
3. Consolidation provision for future risks and charges	0	0
4. Other provisions	2,206	2,086
TOTAL PROVISIONS FOR RISKS AND CHARGES	31,332	21,818
F) Deposits received from reinsurers	179,387	198,010
G) Payables and other liabilities		
I - Due to direct insurance operations	3,804	3,691
II - Due to reinsurance operations	3,009	5,764
III - Debenture loans	0	0
IV - Amounts owed to credit institutions	277,022	172,939
V - Secured debt	0	0
VI - Other loans and other financial debt	0	0
VII - Employee termination indemnity	4,362	4,004
VIII - Other payables	81,329	40,775
IX - Other liabilities	5,420	5,813
TOTAL PAYABLES AND OTHER LIABILITIES	374,946	232,986
H) Accruals and deferred income	289	670
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	7,748,428	6,982,039
Off-balance sheet items		
I - Guarantees given	2,919	2,516
II - Guarantees received	12,455	12,455
III - Guarantees given by third parties	0	0
IV - Obligations	0	1
V - Third party assets	95	773
VI - Pension fund assets managed on behalf of third parties	0	0
VII - Securities in the hands of third parties	5,834,283	5,370,731
VIII - Other off-balance sheet items	0	0
TOTAL OFF-BALANCE SHEET ITEMS	5,849,752	5,386,476

SHAREHOLDERS' EQUITY AND LIABILITIES

Income statement

TECHNICAL ACCOUNT OF LIFE BUSINESS

<i>Euro in thousands</i>	31.12.01	31.12.00
1. Earned premiums, net of reinsurance		
a) Gross premiums written	1,607,587	1,532,523
b) (-) reinsurance premiums	(13,511)	(16,440)
TOTAL NET PREMIUMS	1,594,076	1,516,082
2. (+) Allocated investment return transferred from the non-technical account	85,851	105,511
3. Unrealised gains on investments allocated to life policyholders carrying the related risk and from pension fund management	307,467	266,291
4. Other technical income, net of reinsurance	12,700	9,546
5. Claims incurred, net of amounts recovered and reinsurance		
a) Claims paid		
aa) Gross amount	(563,418)	(633,137)
bb) (-) reinsurers' share	37,248	61,328
b) Change in amount recovered, net of reinsurance		
aa) Gross amount	(4,286)	(16,249)
bb) (-) Reinsurers' share	(2,145)	918
TOTAL NET CLAIMS INCURRED	(532,601)	(587,140)
6. Change in mathematical reserves and other technical reserves, net of reinsurance		
a) Mathematical reserves		
aa) Gross amount	338,043	637,373
bb) (-) Reinsurers' share	(18,670)	(44,011)
b) Other reserves		
aa) Gross amount	7,437	(11,998)
bb) (-) Reinsurers' share	0	0
c) Life insurance reserves when the risk is carried by policyholders and from pension fund management		
aa) Gross amount	(941,770)	(1,335,317)
bb) (-) Reinsurers' share	0	0
TOTAL CHANGE IN NET RESERVES	(614,960)	(753,953)
7. Refunds and profit sharing, net of reinsurance	0	0
8. Operating expenses		
a) Acquisition commissions	(187,482)	(153,516)
b) Other acquisition costs	(1,567)	(1,615)
c) Change in unamortised acquisition commissions and costs	0	0
d) Collection commissions	(446)	(3,249)
e) Other administrative expenses	(17,839)	(13,183)
f) (-) reinsurers' commissions and profit sharing	2,064	2,525
TOTAL OPERATING EXPENSES	(205,270)	(169,037)
9. Unrealised loss on investments allocated to life policyholders carrying the related risk and from pension fund management	(589,717)	(333,601)
10. Other technical charges, net of reinsurance	(2,583)	(1,066)
11. Total technical account of life business	54,963	52,633

<i>Euro in thousands</i>	31.12.01	31.12.00
1. Total technical account of non-life business	0	0
2. Total technical account of life business	54,963	52,633
3. Investment income		
a) Investment income from shares and quotas		
aa) Results for the year on investments evaluated using the equity method	85,295	95,499
bb) Other	3,164	1,658
b) Other investment income		
aa) Land and buildings	3,243	3,088
bb) Other investments	111,976	138,207
c) Adjustments to the value of financial investments	822	949
d) Gains on the realisation of investments	6,957	7,094
TOTAL INVESTMENT INCOME	211,457	246,496
4. Financial burden and losses on assets		
a) Investment management expense and interest on bank loans	(19,475)	(18,627)
b) Adjustments to the value of investments	(16,242)	(13,915)
c) Losses on the realisation of investments	(2,401)	(1,975)
TOTAL FINANCIAL BURDEN AND LOSSES ON ASSETS	(38,118)	(34,518)
5. (-) Allocated investment return transferred to the technical account of life business	(85,851)	(105,511)
6. Other revenues	11,408	8,457
7. Other charges		
a) Interest payable on other financial debt	(462)	0
b) Other costs	(53,505)	(47,576)
TOTAL OTHER CHARGES	(53,967)	(47,576)
8. Total ordinary operations	99,892	119,981
9. Extraordinary income	22,833	11,877
10. Extraordinary charges	(4,044)	(1,889)
11. Total extraordinary operations	18,789	9,989
12. Profit before taxes	118,681	129,969
13. Income tax for the period	(15,426)	(14,527)
14. Consolidated results	103,255	115,443
15. Profit (loss) for the year from minority interests	0	0
16. Group profit (loss) for the period	103,255	115,443

NON-TECNICAL ACCOUNT

Notes to the consolidated financial statements at December 31, 2001

The consolidated financial statements at December 31, 2001, which consist of the Balance Sheet, the Income Statement and accompanying Notes, are presented in accordance with the requirements of Decree no. 173/97.

The Notes to the consolidated financial statements also include a consolidated Cash Flow Statement, as provided for by the aforementioned Law Decree.

All amounts are expressed in thousands of Euro.

PART A GENERAL CRITERIA AND CONSOLIDATION AREA

The consolidated financial statements were prepared based on the individual financial statements at December 31, 2001 of Mediolanum S.p.A. and its controlled companies, and were approved by the respective Boards of Directors.

The financial statements of Group companies which are engaged in the transaction of insurance or related businesses were appropriately reclassified and adjusted to comply with the Group's principles of uniformity and clarity.

All balance sheets, guarantees, obligations and off-balance sheet items as well as revenues and expenses of the companies included in the consolidation were included in their entirety in the preparation of the consolidated financial statements.

All receivables and payables, guarantees, obligations and other off-balance sheet items, revenues and expenses between the companies in the consolidation were excluded from the aforementioned aggregation process, as were all inter-company gains and losses.

The book value of tangible fixed assets was then adjusted to exclude internal profits generated by the transfer of fixed assets between consolidated companies.

The carrying value of the consolidated investments was offset by the corresponding shareholders' equity on the date the companies were acquired by or became controlled companies of Mediolanum S.p.A.

Subsequent variations in the carrying value of investments and shareholders' equity in the companies included in the line-by-line consolidation were allocated to consolidation reserves.

The difference between the purchasing cost of companies consolidated on a line-by-line basis and the corresponding share of shareholders' equity was accounted for as a gain from consolidation differences, to be amortised over a ten-year period.

Investments in controlled companies which are not engaged in the transaction of insurance were calculated according to the equity method.

The financial statements of companies drawn up according to the equity method were appropriately rectified in order to apply uniform accounting principles within the Group.

Subsequent variations in shareholders' equity in companies evaluated using the equity method were attributed to the *Reserve for difference of valuation in investments not included in the consolidation area*, with the exception of the part deriving from profits for the year that were included in the income statement under the line item *Results for the year on investments evaluated using the equity method*.

The difference between the purchasing cost of indirectly controlled companies through companies valued using the equity method, and the corresponding share of shareholders' equity was partly due to real estate owned by said companies to adjust the accounting value to the current value, whereas the remainder was accounted for as a gain from consolidation differences, to be amortized over a ten-year period. The overall economic effect influenced the results of the company directly controlled and valued using the equity method, and thus were posted under *Results for the year on investments evaluated using the equity method*.

The consolidation area of the Mediolanum Group includes all companies that are engaged in the transaction of insurance or related business, and these are included in the list below of the companies which are consolidated on a line-by-line basis, of which the parent company Mediolanum S.p.A. directly holds the majority of voting rights that can be used at the ordinary shareholders' meeting.

List of the companies which are consolidated on a line-by-line basis:

<i>Euro in thousands</i> Company	Share capital	% holding	Office	Activity
Mediolanum Vita S.p.A.	87,720	100	Basiglio	Life insurance
Partner Time S.p.A.	520	100	Basiglio	Distribution of Life insurance products
Mediolanum International Life Ltd	1,372	100	Dublin	Life insurance

The consolidation area changed with respect to the year 2000 following the acquisition made by Mediolanum S.p.A of a 100% interest in the company Mediolanum International Life Ltd on August 23, 2001.

List of the companies directly controlled by Mediolanum S.p.A. and valued using the equity method:

<i>Euro in thousands</i> Company	Share capital	% holding	Office	Activity
Banca Mediolanum S.p.A.	241,000	100	Basiglio	Banking
Mediolanum State Street SGR.p.A.	2,600	50	Basiglio	Stockbrokerage company
Mediolanum Comunicazione S.r.l.	775	100	Basiglio	Audio/Film/TV production
Mediolanum Fiduciaria S.p.A.	510	100	Basiglio	Trust company without discretionary power
PI Distribuzione S.r.l.	517	100	Basiglio	Real Estate Broker
Mediolanum Gestione Fondi SGR.p.A.	5,165	100	Basiglio	Management of mutual funds
Mediolanum International Funds Ltd	150	100	Dublin	Management of mutual funds
Mediolanum Asset Management Ltd	150	100	Dublin	Asset Management and consultancy
Mediolanum International S.A.	71,500	100	Luxembourg	Sub-holding company

List of the companies indirectly controlled by Mediolanum S.p.A. and valued using the equity method:

<i>Euro in thousands</i> Company	Share capital	% holding	Office	Activity
Fibanc Inversiones.S.A.	6,852	69.920	Barcelona	Investment company
Banco de finanzas e Inversiones S.A.	12,130	71.73	Barcelona	Banking
Ges Fibanc SGIC S.A.	2,506	71.73	Barcelona	Management of mutual funds
Fibanc S.A.	301	71.73	Barcelona	Financial advisory company
Fibanc Pensiones S.G.F.P. S.A.	902	71.73	Barcelona	Management of pension funds
Fibanc Faif S.A.	60	71.73	Barcelona	Financial consulting company
Andino AVB S.A.	902	71.73	Madrid	Stockbrokerage company
Fibanc Argentina SA.	USD 50,000	67.43	Buenos Aires	Business representatives
Valora S.A. (*)	421	7.73	Andorra	Asset management
Tanami S.A.	181	100	Barcelona	Real Estate broker
Gamax Holding A.G.	5,618	100	Luxembourg	Sub-holding company
Gamax Management A.G.	125	100	Luxembourg	Management of mutual funds
Gamax Fund of Funds Management A.G.	125	100	Luxembourg	Management of mutual funds
Gamax Broker Pool A.G.	100	100	Leverkusen	Fund sales network
Gamax Austria A.G.	40	100	Salzburg	Fund sales network
Gamax Schweiz A.G.	CHF 20,000	100	Zürich	Fund sales network

(*) Formerly Ranking Capital S.A..

The list of companies indirectly controlled by the parent company changed with respect to December 31, 2000 as a consequence of the transfer of the interest held in Fibanc Valores Avb S.A. to third parties, on September 25, 2001, following the liquidation of Fibanc International S.A. and Fibanc Services Inc. on December 16, 2001.

On October 1, 2001, Mediolanum International S.A. took over the Gamax Financial Group through the acquisition of a 100% interest in the parent company Gamax Holding A.G.. The Group controls two fund management companies based in Luxembourg and three distribution companies operating in Germany, Austria and Switzerland.

List of companies directly and indirectly controlled that are valued at cost as not yet fully operational:

<i>Euro in thousands</i> Company	Share capital	% holding	Office	Activity
Mediolanum Life Ltd	IEP 1	100	Dublin	Life insurance
Mediolanum Private S.A.M.	500	75	Principality of Monaco	Asset management

List of companies associated to Mediolanum S.p.A. that are valued using the equity method:

<i>Euro in thousands</i> Company	Share capital	% holding	Office	Activity
Banca Esperia S.p.A.(*)	13,000	48.5	Milan	Banking

(*) Formerly DueMme S.p.A..

With respect to the previous year, Banca Esperia S.p.A. is now evaluated using the equity method, and not at cost, having started private banking activities during the year. On November 27, 2001, the companies Vicenza Life Ltd and Vicenza Funds Ltd, previously valued using the equity method, were transferred to third parties.

The consolidated financial statements were prepared in accordance with the Italian law relating to financial statements (Article 16 of Law Decree no. 173/97, Article 2426 of the Italian Civil Code) and with the accounting standards issued by the relevant professional bodies. They are consistent with those used in the preparation of the consolidated financial statements at December 31, 2000, and are shown here for comparison.

PART B VALUATION CRITERIA

SECTION 1 VALUATION CRITERIA

INTANGIBLE ASSETS

These are recorded at purchase cost including incidental expenses and are amortised on a consistent basis over their expected useful life (since they are considered to be used for a long time span).

Start-up and expansion costs are systematically amortised for no more than 5 years.

Improvements on leased properties are amortised over the duration of the respective lease contracts.

INVESTMENTS AND OTHER LONG-TERM ASSETS

These are recorded at purchase cost, including incidental expenses.

Investments in industrial real estate and other durable assets are depreciated on a straight-line basis using rates that reflect the expected residual lives of the assets.

Residential property is not depreciated, given its continued maintenance and the fact that its current market value exceeds its carrying value.

In some cases, the cost was increased following specific regulations on monetary revaluation, and revaluation gains were credited to shareholders' equity.

The cost of ordinary maintenance is charged in full to the income statement in the year in which it is incurred.

The cost of incremental maintenance work is charged to the investment and to the related asset account and depreciated over the residual life of the asset concerned.

Investments in controlled companies which are not included in line-by-line consolidation are valued according to shareholders' equity since they are not engaged in the transaction of insurance.

Investments in controlled companies not yet operational are valued at cost, since their effect on compiling the consolidated financial statements in a truthful and correct manner was negligible.

Investments in associated companies are valued using the equity method.

Investments in affiliated companies and in other companies held by consolidated companies are valued at cost, which is lower than their realisable value.

Bonds and other fixed-income securities are stated at purchase cost or prior-year carrying value, calculated using the weighted average method, and are adjusted for the accrued portion of premiums or discounts to the par value that arise when securities are subscribed or purchased. Their sale is allowed only in exceptional cases for company operational purposes, only when a

framework decision from the Board of Directors of Mediolanum Vita S.p.A. has been made to permit such a sale.

Bonds and other fixed income securities are recorded at the lower value of either the purchase or subscription cost, which is determined using the weighted average method, adjusted to account for the accrued portion of premiums or discounts to the par value, arising when the securities are subscribed, and their realisable value.

SHORT-TERM INVESTMENTS

Quoted shares are recorded at the lower value of the purchase or subscription cost, determined using the weighted average method and their realisable value.

The realisable value of bonds, fixed income securities and quoted shares is calculated according to their market trend, using the arithmetic average of the prices in the last month of the year.

The realisable value of bonds, fixed income securities and non-quoted shares is based on a prudent estimate, taking into consideration prices related to negotiation for investments traded in non-regulated markets.

The realisable value of investments in shares of mutual funds is deducted from the published share value at year-end.

Securities which have been written down in previous periods as a result of applying the above valuation method, but which are no longer affected by the reasons which caused them to be written down, have been restored to their original cost, as appropriate.

Amounts paid under repurchase agreements are treated as other financial investments. Income from such transactions is spread over the term of the transaction, taking into account interest accrued on the securities and the difference between spot and forward prices.

These are recorded at their current value, which is their value on the last working day of the year for investments in regulated markets, and is their average negotiation price on the last working day in the year for investments in non-regulated markets.

INVESTMENTS ALLOCATED TO LIFE POLICYHOLDERS CARRYING THE RELATED RISK AND FROM PENSION FUND MANAGEMENT

Receivables are recorded at their presumed realisable value, while payables are recorded at their nominal value.

RECEIVABLES AND PAYABLES

PREPAYMENTS AND ACCRUED INCOME	These reflect adjustments to match costs and revenues to the two or more accounting periods to which they relate.
LIFE INSURANCE RESERVES	<p>Life insurance reserves include the mathematical reserve, which is determined for each policy on the basis of the specific commitment and the actuarial assumptions underlying the premiums. The reserves reflect all revaluations under the policy terms, in addition to allocations that take into account demographic risk, and are maintained at or above total surrender value.</p> <p>These reserves also include deferred premiums relating to the following year and cover future costs relating to the administration of policies.</p> <p>The ceded portion of the reserves, with respect to business ceded to reinsurers, is determined on a basis similar to that used in determining the Life insurance reserves.</p> <p>Following the enforcement of ISVAP provision no. 1801 G of February 21,2001, the technical reserve return was estimated in accordance with the calculation method thereby established. This operation concerned the separate internal administration of Medinvest and Mediolanum Vip, accounting for over 80% of the company's portfolio. Since the estimated realisable return diminished by one fifth, was not lower than the corresponding average rate utilised - for the current year and for the next four years taken as a reference in the calculation, and for all guarantee lines included in separate administrations - the additional reserve as per Article 25 of Legislative Decree 174/95 was not set up.</p>
TECHNICAL RESERVES WHEN THE RISK IS CARRIED BY POLICYHOLDERS AND RESERVES FROM PENSION FUND MANAGEMENT	These reserves represent the value of shares in investment funds or indexed funds as close as possible, and are linked to the assets held to cover these liabilities, which are recorded according to their current value.
PROVISIONS FOR RISKS AND CHARGES	These provisions cover likely losses, the timing and extent of which cannot be determined at the closing of the accounting period, and reflect a realistic estimate of expected losses to be borne by the companies included in the consolidation area.

This provision covers liabilities for employee termination indemnities accrued, in accordance with existing laws and national and company-specific labour contracts. This liability is subject to annual adjustment based on official indices.

EMPLOYEE TERMINATION
INDEMNITY

Revenues and expenses are recorded on an accrual basis.

REVENUES AND EXPENSES

Life policy acquisition commissions are fully posted in the income statement for the year in which they were incurred.

Dividends and related tax credits are recorded in the accounting period in which they are received.

Current taxes are recorded on the basis of estimated taxable income calculated for each company in accordance with current tax laws, taking into account any available exemptions, tax relief and credits.

TAXES

The accounting principle no. 25 issued by the National Council of Professional Accountants and Bookkeepers in relation to income taxes establishes the use of prepaid and deferred taxes. Both prepaid and deferred taxes were assessed using the balance sheet liability method. Moreover, in compliance with the aforementioned accounting principle which indicates that deferred and prepaid taxes must be calculated every year using the rates applicable when the temporary differences apply, necessary adjustments were introduced to the amounts accrued in previous years.

For the foreign controlled companies and associated companies, deferred taxes were also accrued on profits made and not yet distributed and were valued using the equity method.

Guarantees given are stated on the basis of the nominal value of the obligation undertaken.

OFF-BALANCE SHEET ITEMS

Indirectly controlled companies whose accounting is expressed in non-Euro currency were valued using the equity method, converting the financial statements expressed in local currency into Euro, and applying the spot cash exchanges at year-end.

CRITERIA AND RATES APPLICABLE
IN THE CONVERSION OF
FINANCIAL STATEMENTS
EXPRESSED IN CURRENCIES OF
NON-EURO COUNTRIES

Profit for the year was converted at the average exchange rate for the year, whereas the other shareholders' equity items were converted using the historical exchange rates.

**SECTION 2
ADJUSTMENTS AND
PROVISIONS FOR TAXES**

VALUE ADJUSTMENTS
AND PROVISIONS EXCLUSIVELY
MADE IN ACCORDANCE WITH
FISCAL LAWS

Not made.

**PART C
CONSOLIDATED
BALANCE SHEET
AND INCOME
STATEMENT
INFORMATION**

ASSETS

**SECTION 1
INTANGIBLE ASSETS
(ITEM B)**

Other intangible assets includes:

<i>Euro in thousands</i>	31.12.01	31.12.00
Start-up and expansion costs	16,644	24,113
Concessions, licences, trademarks and similar rights	5,457	5,783
Improvements on leased goods	396	380
Intangible assets under formation and advances	223	93
TOTAL	22,720	30,369

“Start-up and expansion costs” is as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
Sales network contests	4,775	7,149
Commissions to be returned to reinsurers	11,644	16,824
Other start-up and expansion costs	225	140
TOTAL	16,644	24,113

The item “Sales network contests” constitutes premiums paid to the sales network which relate to the transformation of the traditional portfolio of Mediolanum Vita S.p.A. into unit-linked policies.

The item “Commissions to be returned to reinsurers” is for initial commissions received from reinsurers which must be returned to them for the portion not yet accrued as at the transformation date, in compliance with the agreements currently in force.

These costs were capitalised in compliance with accounting principle no. 24 C.N.D.C., being a one-time charge to account for the change in the type of economic activity – from one producing financial income, to one producing operating income.

The so-called costs for the renewal of the portfolio are systematically amortized over a period of five years, which is shorter than the inflow period of benefits associated with the transformation operation.

The remainder are ancillary charges relating to the acquisition of a majority interest in the company Mediolanum International Life Ltd, systematically amortised over a five-year period.

“Concessions, licences, trademarks and similar rights” mainly consist of software used under licence.

Total movements in the above items are shown in detail in Attachment 1.

Positive consolidation differences relates to the acquisition by Mediolanum S.p.A. of a 100% interest in the company Mediolanum International Life Ltd, based in Dublin, on August 23, 2001. These are systematically amortised over a ten-year period.

Item C.I *Land and buildings* includes:

<i>Euro in thousands</i>	31.12.01	31.12.00
Company buildings	19,447	20,167
Residential buildings leased to third parties	48,526	48,808
Industrial buildings leased to third parties	9,499	11,215
TOTAL	77,472	80,190

SECTION 2
INVESTMENTS
(ITEM C)

All buildings owned by Mediolanum Vita S.p.A. were subject to examination: market value totals 94,925 thousand Euro. The evaluation was carried out using both the Comparative - or Market - method, and the Revenue Method. For such buildings, the market value proved to be higher than the accounting value.

In residential buildings leased to third parties, a building and part of a residential complex owned was sold for 470 thousand Euro, at a gain of 98 thousand Euro, which is posted in the income statement. During the year, this item increased by 189 thousand Euro, due to works carried out on the building owned in Milan.

In industrial buildings leased to third parties, a building located in Rome was sold for 2,004 thousand Euro and amortised for 663 thousand Euro, at a gain of 3,823 thousand Euro, and is posted in the income statement.

The net book value of monetary revaluations made in previous years, in accordance with Law 413/1991, relating to *Land and buildings*, pertained to a building that was sold during the period.

Depreciation of industrial buildings is calculated using the fiscal depreciation rate of 3%, which is considered representative of the useful life of these assets.

Depreciation of buildings totals 1,096 thousand Euro.

No differences for consolidation were recorded.

Total movements in the above items are shown in detail in the Attachment 2.

Item C II *Investment in Group companies and other companies* consists of:

Shares in controlled companies: 429,313 thousand Euro relates to companies directly controlled by Mediolanum S.p.A. which are not engaged in the transaction of insurance or related business and were therefore evaluated using the equity method.

The increase over the previous year is mainly due to:

- a 70,858 thousand Euro increase in the share capital of Mediolanum International S.A. to acquire controlling interest in the Gamax Group through the acquisition of a 100% of the share capital of Gamax Holding S.A., a company based in Luxembourg. This price will be increased in the event that the growth targets specified in the plan for the three-year period 2002/2004 are attained.

- an 84,734 thousand Euro increase in the share capital of Banca Mediolanum S.p.A. aimed at strengthening the assets thereof to allow the acquisition of 100% of the share capital of the German bank Bankhaus August Lenz & Co., based in Munich. The purchase was made in the first months of 2002.

Fininvest Group shares and quotas totalling 99 thousand Euro relate to:

<i>Euro in thousands</i> Company	Share capital	% holding	Office
Consorzio Aeromobili Fininvest	520	19	Via Paleocapa 3 Milano

During the year, a further 4% of the Consorzio capital was acquired from Fininvest S.p.A.

Shares and quotas in associated companies refer to 21,637 thousand Euro for a 48.5% interest in Banca Esperia S.p.A., a 50-50 joint-venture with Mediobanca S.p.A. in the private banking sector, valued using the equity method.

The variation with respect to the previous year was due to the sale on November 27, 2001, of the companies Vicenza Life Ltd and Vicenza Funds Ltd to the Banca Popolare di Vicenza Group, at a gain of 11,655 thousand Euro posted in the income statement; for 15,332 thousand Euro for a payment made by Mediolanum S.p.A. to Banca Esperia S.p.A. for 3,228 thousand Euro to increase the share capital, and for 12,104 thousand Euro to increase the

share premium reserve, and to the evaluation of the company using the equity method (the company was valued at cost last year).

<i>Euro in thousands</i> Company	Share capital	% holding	Office
Banca Esperia S.p.A.	13,000	48.5	Via Del Lauro 7 Milano

Shares and quotas in other companies in which investments are held totalling 171,282 thousand Euro relate to:

<i>Euro in thousands</i> Company	Share capital	% holding	Office
Cedacri Ovest S.p.A.	7,461	10	Via Liguria 33 Castellazzo B.da (AL)
Europa Invest S.A.	125	14	14 rue Aldringen Luxembourg
Mediobanca S.p.A.	389,262	1.99	Via Filodrammatici 10 Milan
Consortium S.r.l.	561,600	3.4	Via Filodrammatici 10 Milan
Tredicimarzo S.r.l.	10	10	Galleria del Corso 2 Milan
Sia S.p.A.	18,124	4.999	Viale Certosa 218 Milan
Rita S.r.l.	6	0.239	P.zza S. Babila 1 Milan

and consist of:

<i>Euro in thousands</i>	31.12.01	31.12.00
Cedacri Ovest S.p.A.	1,007	1,007
Europa Invest S.A.	14	14
Mediobanca S.p.A.	115,045	115,045
Consortium S.r.l.	28,795	0
Tredicimarzo S.r.l.	14,002	0
SIA S.p.A.	12,407	12,407
Rita S.r.l.	13	13
TOTAL	171,283	128,486

On May 4, 2001, a 10% interest was acquired in the company Tredicimarzo S.r.l. and on December 17, 2001, a 3.4% interest was acquired in Consortium S.r.l., with the intention of maintaining the Group's weight within the voting block of Mediobanca S.p.A.

The subordinated bonded loan issued by the affiliate Banca Mediolanum S.p.A., posted under *Bonds* for 7,566 thousand Euro at December 31, 2000, was reimbursed during the first months of 2001.

Loans consist of two credit lines with a due date of December 31, 2002 and at the official discount rate, given by Mediolanum S.p.A Euro to PI distribuzione S.r.l.: for 755 thousand and to to Mediolanum Comunicazione S.r.l for 1,291 thousand Euro, which are controlled companies valued using the equity method.

Item C III *Other financial investments* includes:

Shares of foreign mutual funds managed by Mediolanum International Funds totalled 194,419 thousand Euro.

Investment bonds also include convertible bonds in foreign currency totalling 201 thousand Euro.

Financial loans are:

<i>Euro in thousands</i>	31.12.01	31.12.00
Secured loans on Life insurance policies	16,138	20,037
Loans to consultants	397	397
Other loans	283	360
TOTAL	16,818	20,794

Amounts receivable as per item C. III. 4. *Financial loans* will all fall due after more than one year.

Item C. III 6. *Deposits with credit institutions* include deposits subject to time constraints greater than 15 days. This amount relates almost entirely to 3-month deposits at Banca di Roma of the company Mediolanum Vita S.p.A.

Item C.III.7 *Other financial investments* relates to the full amounts paid under repurchase agreements of Mediolanum Vita S.p.A. with the company Banca Mediolanum S.p.A., valued with the equity method.

Long term financial investments amount to 968,411 thousand Euro and mostly concern fixed income securities issued by the Government and public bodies. The carrying value was mainly increased to account for the accrued portion of premiums or discounts to the par value for 2,228 thousand Euro, arising when the securities are subscribed, and decreased to account for the accrued portion of premiums or discounts to the par value, when the securities are purchased or subscribed, for 5,367 thousand Euro and 382 thousand Euro, respectively. Reimbursement of securities totalled 61,388 thousand Euro.

The portfolio of Mediolanum Vita S.p.A. included a credit-linked security with the underlying tied to Argentinian government securities. As a consequence of the Argentinian crisis, this was written down to account for the ongoing loss of value.

The evaluation of long term financial investments at current value, to remain in the Group's assets, shows a potential loss of 26,046 thousand Euro and a potential gain of 3,904 thousand Euro, and the adjustments to the value of financial investments totalled 14,509 thousand Euro.

The financial investments that are not to remain a part of company assets amount to 845,359 thousand Euro and consist of:

<i>Euro in thousands</i>	31.12.01	31.12.00
Shares and quotas	4,206	256
Mutual fund shares	194,524	343,533
Bonds and other fixed income securities	216,828	287,534
Deposits with credit institutions	54,808	175,734
Other financial investments	374,993	0
TOTAL	845,359	807,057

The evaluation of financial investments at current value, which will not remain Group's assets, shows a potential gain of 769 thousand Euro.

The increase in *Invesments allocated to Life policyholders carrying the related risk and from pension fund management* (item D) is due to the great success the unit-linked products have had with savers and the resulting notable increase in inflows.

SECTION 3
OTHER ASSETS
(ITEMS D - D BIS -
E - F - G)

Item E I *Due from direct insurance operations* is analysed as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
Due from policyholders in the year	27,181	8,792
Due from policyholders from previous years premiums	288	389
Due from intermediaries	9,980	10,146
Due from intermediaries for portfolio compensations	23	26
Other due from intermediaries	0	148
TOTAL	37,472	19,501

The increase in due from policyholders mainly relates to receivables associated to the issue of premiums for following years, pertaining to mid-November and December 2001.

Item E III *Other receivables* is analysed as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
Due from real estate leases	834	767
Due from Mediolanum Group companies	2,666	1,009
Due from Fininvest Group and Doris Group companies	2,231	1,462
Due from tax authorities	44,324	43,430
Due from employees	32	37
Guarantee deposits	82	80
Advances to suppliers and professionals	173	128
Other receivables	549	719
TOTAL	50,891	47,632

“Due from Mediolanum Group” consists of the receivables related to recharge of costs for seconded employees of Mediolanum S.p.A. sent to controlled companies to carry out their work duties on behalf of the controlled company, as well as receivables concerning the funds of employees transferred from other Group companies, valued using the equity method.

“Due from Fininvest Group and Doris Group companies” consists of an amount due from Mediolanum Assicurazioni S.p.A. of 2,158 thousand Euro relating to commissions on the sale of insurance policies and to the recharge of costs for seconded employees.

“Due from tax authorities” is analysed as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
Tax reimbursements	13,552	13,186
Advance payments and amounts brought forward	11,114	11,430
Tax withholdings	4,168	3,020
Tax credits on dividends and mutual funds	15,160	15,411
Other	330	383
TOTAL	44,324	43,430

Item F I *Tangible assets* is analysed as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
Furniture and fittings	1,290	1,525
Systems	42	67
Equipment	632	453
Electric and electronic equipment	1,948	1,329
Other assets	20	87
TOTAL	3,932	3,461

Depreciation is calculated using the following fiscal depreciation rates, which are considered to be representative of the useful life of each asset category:

Plant and machinery	15% - 20%
Equipment	15%
Other assets	12% - 20% - 25% - 30%

Total movements in the above items are shown in detail in Attachment 2.

Liquid assets (item F II) represents the balance in ordinary current accounts with Banca Mediolanum S.p.A. (106,187 thousand Euro) and with other credit institutions for the remaining amount, and are mainly employed in hot money operations of a duration less than 15 days.

Item F III *Own shares or quotas* includes 746,500 shares at a nominal value of 75 thousand Euro of Mediolanum S.p.A..

Trading operations concluded during the year resulted in capital gains of 697 thousand Euro.

Item G *Prepayments and accrued income* is analysed as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
Accrued interest on securities	20,442	24,343
Other accrued income	796	453
Prepayments for insurance	67	73
Prepayments for rent	7	8
Other prepayments	661	61
TOTAL	21,973	24,938

The decrease in accrued interest on securities is correlated to the decrease in fixed income securities in the portfolio.

SHAREHOLDERS' EQUITY AND LIABILITIES

SECTION 4 CAPITAL AND RESERVES (ITEMS A - B)

RECONCILIATION BETWEEN THE
FINANCIAL STATEMENTS OF THE
PARENT COMPANY AND THE
CONSOLIDATED FINANCIAL
STATEMENTS

Changes in consolidated capital and reserves are in Attachment 3.

RECONCILIATION BETWEEN THE
FINANCIAL STATEMENTS OF THE
PARENT COMPANY AND THE
CONSOLIDATED FINANCIAL
STATEMENTS

<i>Euro in thousands</i>	Capital and reserves	Profit for the period	Total shareholders' equity
Parent company financial statements for the year 2000	178,610	70,975	249,585
Subsequent changes in carrying value and Shareholders' equity of companies included in consolidation	95,706	9,421	105,127
Differences in investments valued by the equity method	14,890	99,674	114,564
Infra-group dividends	59,702	(59,702)	0
Application of group-wide accounting policies	(798)	(678)	(1,476)
Elimination infra-group transactions	(690)	(127)	(817)
Amortisation of consolidation differences in the company's equity investments valued using the equity method	0	(4,021)	(4,021)
Amortization of capital gains attributed to buildings as at the date of acquisition of the company valued using the equity method	0	(99)	(99)
Consolidated financial statements for the year 2000	347,420	115,443	462,863

<i>Euro in thousands</i>	Capital and reserves	Profit for the period	Total shareholders' equity
Parent company financial statements for the year 2001	180,354	97,712	278,066
Subsequent changes in carrying value and Shareholders' equity of companies included in consolidation	101,274	17,086	118,360
Differences in investments valued using the equity method	21,858	95,506	117,364
Conversion difference of companies included in consolidation area	77	0	77
Consolidation with the equity method of companies previously valued at cost	(1,223)	0	(1,223)
Infra-group dividends	96,561	(96,561)	0
Application of group-wide accounting policies	(1,476)	1,671	195
Elimination of infra-group transactions	(817)	(15)	(832)
Amortisation of consolidation differences in the company's equity investments valued using the equity method	(4,021)	(11,926)	(15,947)
Amortisation of capital gains attributed to buildings as at the date of acquisition of the company valued using the equity method	(99)	(213)	(312)
Amortisation of consolidation difference of companies consolidated on a line-by-line basis	0	(5)	(5)
Consolidated financial statements of the year 2001	392,488	103,255	495,743

The amortisation of positive consolidation differences in the company's equity investments valued using the equity method refers to 10,415 thousand Euro for interest held in the Fibanc Group, purchased by Banca Mediolanum S.p.A. in 2000 and increased during the year, and to 1,511 thousand Euro for interest held in the Gamax Group, which was acquired by Mediolanum International S.A. during the year.

The goodwill quotas to be amortised that pertain to interests abroad held as at December 31, 2001, relate to the Gamax Group for 58,928 thousand Euro and to the Fibanc Group for 89,763 thousand Euro.

Such consolidation differences are amortised over a ten-year period, which is considered to be representative of the future profitability of the companies purchased, and take into account the life span of the investment as well as the sectors and markets in which the companies operate.

Item C *Mathematical reserves* decreased with respect to the previous year, due to the transformation of the portfolio by the company Mediolanum Vita S.p.A. and to the increasing propensity of customers to opt for products whose performance is linked to mutual funds.

SECTION 5
TECHNICAL RESERVES AND
OTHER PROVISIONS
(ITEMS C - D - E)

Technical reserves were calculated using methods in line with those adopted when drawing up the financial statements at December 31, 2000.

In applying these methods, as is the usual practice, information inferred from an analysis of the insurance portfolio was taken into account, and in particular on the estimated propensity of policyholders toward an annuity and toward the impact of management costs on index-linked products. The parameters adopted in calculating technical reserves were thus aligned with the information gathered. The calculation of technical reserves as at December 31, 2001, with reference to obligations already in place at the beginning of the year, brought about a positive effect on changes to such reserves, in the region of 27.7 million Euro.

Item D Technical reserves when the risk is carried by policyholders and reserves from pension fund management is analysed as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
Technical reserves on unit-linked products	2,736,958	2,141,278
Technical reserves on index-linked products	1,872,405	1,527,129
Technical reserves resulting from pension fund management	2,003	1,189
TOTAL	4,611,366	3,669,596

Provision for taxes (item E 2) is analysed as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
Provision for Irpeg-Irap (corporate income tax-tax on productive activities)	24,115	15,842
Provision for taxes for assessments	220	220
Provision for deferred taxes	4,791	3,670
TOTAL	29,126	19,732

“Provision for deferred taxes” was determined by compensating the balances of pre-paid taxes with deferred taxes of the fully consolidated companies and of the consolidation adjustments, according to the legal right to compensate balances as established by the accounting principle no. 25 set forth by the National Councils of Professional Accountants and Bookkeepers, as illustrated in the following table:

<i>Euro in thousands</i>	31.12.01	31.12.00
Deferred taxes	5,576	5,664
Pre-paid taxes	(785)	(1,994)
TOTAL	4,791	3,670

Other provisions (item E 4) is analysed as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
Provision for future risks	405	405
Provision against illegal acts by agents	125	125
Staff loyalty provision	199	108
Employee holiday pay accrual	1,463	1,434
Sundry provisions	14	14
TOTAL	2,206	2,086

Changes in *Other provisions* during the period are as follows:

<i>Euro in thousands</i>	31.12.00	Accrued	Utilisations	Recl	31.12.01
Provision for future risks	405	0	0		405
Provision against illegal acts by agents	125	0	0		125
Staff loyalty provision	108	182	(91)		199
Employee holiday pay accrual	1,434	361	(332)		1,463
Sundry provisions	14	0	0		14
TOTAL	2,086	543	(423)		2,206

The decrease in F *Deposits received from reinsurers* relates to the credit item "Reinsurers' share of technical reserves" commented on above.

SECTION 6
PAYABLES AND OTHER
LIABILITIES
(ITEMS F - G - H)

Item G IV *Amounts owed to credit institutions* is due to the utilisation of loans given to Mediolanum S.p.A. by leading banks.

Changes in *Employee termination indemnity* is analysed as follows:

<i>Euro in thousands</i>	
Opening balance at 31.12.00	4,004
Contractual adjustments	4
Provision for the period	1,052
Transfers from Mediolanum and Fininvest Group companies	32
Utilisation	(552)
Advances to employees	(162)
Transfers to Mediolanum and Fininvest Group companies	(16)
Closing balance at 31.12.01	4,362

Other payables (item G VIII) is analysed as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
Taxes charged to policyholders	2,091	4,296
Taxes	4,549	3,982
Payable to social security institutions	998	891
Trade accounts	7,966	6,445
Payable to Mediolanum Group companies	62,720	20,956
Payable to Fininvest Group and Doris Group companies	807	817
Other	2,198	3,388
TOTAL	81,329	40,775

“Taxes“ mainly refers to taxes withheld to be paid.

“Due to social security institutions” refers to social security contributions made with reference to December wages which are regularly paid the following January.

“Trade accounts” is analysed as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
Services received	4,346	3,442
Invoices to be received	3,147	2,600
Emoluments to Directors and Statutory Auditors	376	311
Professional services	97	92
TOTAL	7,966	6,445

“Due to Mediolanum Group companies” refers almost entirely to commissions paid by Mediolanum S.p.A. to Banca Mediolanum S.p.A. for the commercialisation of insurance products.

“Due to Fininvest Group and Doris Group companies” mainly consists of recharge costs due to Mediolanum Assicurazioni S.p.A. for seconded employees, and amounts due to companies linked to the Fininvest Group for contractually defined services for computer services and telecommunications. All services are in line with the best market conditions.

Other liabilities (item IX) relate to:

<i>Euro in thousands</i>	31.12.01	31.12.00
Commissions for unearned premiums	3,898	1,608
Outstanding earned premiums	832	3,682
Provision for 14th month salary and production premiums	555	523
Other liabilities	135	0
TOTAL	5,420	5,813

Accruals and deferred income (item H) is analysed as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
Other accrued expenses	202	588
Deferred income on lease instalments	87	82
TOTAL	289	670

Receivables and payables in items C and E of assets and in items F and G of shareholders' equity and liabilities all fall due within the following year.

Guarantees given

Guarantees given include:

Guarantees given to Fininvest Group companies refers to counter-guarantees issued to Fininvest S.p.A. totalling 63 thousand Euro.

Guarantees given to other companies relates mainly to guarantees of 516 thousand Euro for contracts between the financial consultants and Origin Italia S.r.l. for the rental of computer equipment and the telematic link with Banca Mediolanum for 1,808 thousand Euro paid to Atena Servizi S.p.A. on behalf of the controlled company Mediolanum Comunicazione S.r.l. as a guarantee for contractual obligations, for 531 thousand Euro to Gorgonzola District Office for Direct Taxation for arrears relating to the ongoing proceedings before the competent fiscal commission for a dispute arising in 1997.

Guarantees received

Guarantees received are policies received by third parties as guarantees of the correct fulfilment of contractual obligations taken on for real estate investments of Mediolanum Vita S.p.A.

Securities in the hands of third parties

Securities in the hands of third parties mainly refer to the nominal value of other financial investments, including securities deposited at Banca Mediolanum S.p.A. at a par value of 2,093,683 thousand Euro.

Gross premiums written is analysed as follows:

<i>Euro in thousands</i>	Direct operations	Reinsurance operations	Total
I - Life insurance	138,492	24	138,516
II - Marriage and birth insurance	0		0
III - Unit-linked insurance as per I and II	1,463,443		1,463,443
IV - Health insurance	130		130
V - Capitalisation operations	4,495		4,495
VI - Fund management	1,003		1,003
GROSS PREMIUMS	1,607,563	24	1,607,587

SECTION 7 GUARANTEES, OBLIGATIONS AND OTHER OFF-BALANCE SHEET ITEMS

INCOME STATEMENT

SECTION 8 INFORMATION ON TECHNICAL ACCOUNTS

Premiums were collected mainly in Italy, as well as in Spain and Ireland, and are analysed as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
First year premiums	302,014	158,084
Subsequent year premiums	471,256	454,285
Single premiums	834,293	920,123
Indirect premiums	24	30
(less) reinsurance ceded	(13,511)	(16,440)
NET PREMIUMS	1,594,076	1,516,082

Allocated investment return transferred to technical Life account is determined as per the ISVAP Provision dated March 8, 1999, no. 1140 G.

Other technical income, net of reinsurance relates mainly to rights on unit and index-linked policies at a total of approximately 11,500 thousand Euro (31.12.2000: 7,230 thousand Euro).

Commissions paid by Mediolanum Vita S.p.A. to Mediolanum S.p.A. and Partner Time S.p.A. for their activities as insurance agents totalling 234,727 thousand Euro were not included in the consolidation. This elimination explains the improved result in the Life technical account of the consolidated financials statements vis-à-vis the result of Mediolanum Vita S.p.A.

Acquisition commissions left over after consolidation cancellations were those commissions paid to Banca Mediolanum S.p.A. and totalled 179,822 thousand Euro.

Other technical charges mainly relates to the cancellation of first year premiums issued in previous years totalling approximately 2,103 thousand Euro, as per ISVAP circular letter No. 360 D.

Other investment income (item 3 b) bb)) is analysed as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
Shares in mutual funds	14,380	23,302
Bonds and other fixed income securities	78,687	90,795
Financial investments	1,713	1,580
Deposits at credit institutions	15,096	17,391
Other financial investments	2,100	5,139
TOTAL	111,976	138,207

SECTION 9
INFORMATION ON THE
NON-TECHNICAL ACCOUNT

Proceeds from “financial investments” includes interest from Mediolanum Group companies valued by the equity method totalling 42 thousand Euro.

Proceeds from “deposits at credit institutions” includes interest from deposits at Banca Mediolanum S.p.A. totalling 5,823 thousand Euro.

Adjustments to the value of financial investments (item 3 c) is analysed as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
Shares in mutual funds	0	47
Bonds and other fixed income securities	822	902
TOTAL	822	949

Gains on the realisation of investments (item 3 d) is set out below:

<i>Euro in thousands</i>	31.12.01	31.12.99
Shares and quotas	910	3,759
Bonds and other fixed income securities	6,046	757
Other financial investments	1	2,578
TOTAL	6,957	7,094

Investment management expenses and interest on bank loans (item 4 a) is as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
Management expenses from real estate investments	985	604
Other investment management expenses	441	874
Interest on deposit accounts with reinsurance companies	9,437	12,934
Interest on financial payables	8,331	4,202
Interest payable on other amounts payable	281	13
TOTAL	19,475	18,627

In compliance with the provisions set forth in the ISVAP circular letter no. 438/D, amortization allowances for land and buildings were accounted for under “Adjustments to the value of Investments”.

Adjustments to the value of investments (item 4 b) is analysed as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
Building depreciation	1,096	1,150
Shares and quotas	1,112	27
Mutual funds and tax credits	6,148	3,604
Bonds and other fixed-income securities	7,886	9,134
TOTAL	16,242	13,915

Losses on the realisation of investments (item 4 c) is shown below:

<i>Euro in thousands</i>	31.12.01	31.12.00
Shares and quotas	23	0
Mutual funds	1,670	833
Bonds and other fixed-income securities	703	1,137
Other financial investments	5	5
TOTAL	2,401	1,975

Other revenues is analysed as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
Commission income for the sale of non-Life policies	4,511	4,488
Recharge of cost of employees seconded to Mediolanum Group companies valued by the equity method	2,942	1,974
Recharge of cost of employees seconded to Fininvest Group and Doris Group companies	537	368
Recouperation of costs	1,074	719
Interest from the tax authorities	369	418
Utilisation of provision for specific risks	159	4
Other revenues	1,816	486
TOTAL	11,408	8,457

“Commission income for the sale of non-Life policies”, determined at market conditions, relates to the sale of insurance policies by Mediolanum Assicurazioni S.p.A., which is jointly owned (50-50) by the Fininvest Group and the Doris Group. These commissions in the same amount are also entered under item 7 “Other charges” since they are retroceded by Mediolanum S.p.A. to Banca Mediolanum S.p.A., a company valued using the equity method.

“Recharge of cost of employees seconded to the Fininvest Group and Doris Group companies” relates to Mediolanum Assicurazioni S.p.A., which is jointly owned (50-50) by the Fininvest Group and the Doris Group.

Other costs consist of:

<i>Euro in thousands</i>	31.12.01	31.12.00
Commission income for the sale of non-Life policies	4,511	4,488
Cost of Mediolanum S.p.A. employees	19,165	15,564
Other administrative expenses of Mediolanum S.p.A.	18,317	16,022
Amortisation of intangible assets	10,989	11,339
Accruals to the bad debts fund	37	25
Other costs	486	138
TOTAL	53,505	47,576

Extraordinary income (item III 9) is analysed as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
Gain on the sale of long-term investments	15,440	3,662
Gain on the sale of assets	72	75
Gain on the sale of bonds and other fixed income securities	6,913	7,409
Out of period revenues	408	731
TOTAL	22,833	11,877

“Gain on the sale of long-term investments” relates to a 11,519 Euro capital gain from the sale of the companies Vicenza Life Ltd and Vicenza Funds Ltd to third parties, and to a 3,921 Euro capital gain from Mediolanum Vita S.p.A. from the sale of a building in Rome and of an apartment owned by the company.

Extraordinary charges (item III 10) is analysed as follows:

<i>Euro in thousands</i>	31.12.01	31.12.00
Loss on the sale of assets	1	2
Loss on the sale of bonds and other fixed-income securities	3,119	1,387
Other extraordinary charges	424	0
Out of period expenses	500	500
TOTAL	4,044	1,889

Employee information

The average number of employees of the Group during the year was as follows:

	31.12.01	31.12.00
Managers	49	42
Non-management employees	251	230
TOTAL	300	272

Directors' and statutory auditors' emoluments

The “emoluments” paid to directors and statutory auditors of Mediolanum S.p.A., as well as in other companies that are included in consolidation, to carry out their tasks are as follows:

<i>Euro in thousands</i>	For services rendered to the parent company	For services rendered to other companies
Directors	1,108	600
Statutory auditors	72	281
TOTAL	1,180	881

PART D OTHER INFORMATION

Information on the size and activity of controlled companies

Commissions for the management of mutual funds of Mediolanum Gestioni Fondi SGR.p.A. and Mediolanum International Funds Ltd, which are companies valued by the equity method, totalled:

<i>Euro in thousands</i>	31.12.01	31.12.00
Entry fees	45,796	94,496
Management fees	156,880	170,127
TOTAL	202,676	264,623

The two companies managed assets totalling 9,489 million Euro (31.12.00: 8,668 million Euro) including investments made by Mediolanum Vita S.p.A.

Commissions resulting from the management of mutual funds from the companies belonging to the Fibanc Group amount to 31,432 thousand Euro, whereas assets under administration total 1,944.2 million Euro.

Commissions resulting from the subscription and management of mutual funds from the companies belonging to the Gamax Group amount to 1,894 thousand Euro and a 2,536 thousand Euro, respectively, whereas assets under administration total 623.3 million Euro.

Assets under administration by the pension fund Previgest Fund Mediolanum, introduced on the market by the company Mediolanum Gestione Fondi SGR.p.A. amounted to 9,666 thousand Euro (31.12.00: 8,780 thousand Euro).

Mediolanum State Street SIM.p.A. carried out pension fund and closed-end mutual fund management activities and is valued according to the equity method.

Assets under administration came to 419 million Euro (31.12.00: 277 million Euro), management fees were 1,455 thousand Euro (31.12.00: 552 thousand Euro) and entry fees related to the closed-end mutual fund "Fondamenta" were 102 thousand Euro.

Direct and indirect inflows of Banca Mediolanum S.p.A. reached the level of 4,817 million Euro (31.12.2000: 3,317 million Euro) with 297,252 current accounts, and generated an interest margin of 31,596 thousand Euro (31.12.2000: 20,857 thousand Euro), and were valued according to the equity method.

Administered securities of third parties at market price amounted to 2,054 million Euro (31.12.2000: 1,798 million Euro).

The service margin was 53,006 thousand Euro (31.12.2000: 37,787 thousand Euro).

<i>Euro in thousands</i>	Fininvest Group and associated companies	Doris Group
Financial receivables	0	0
Commercial receivables	1,153	1,079
Financial payables	0	0
Commercial payables	621	186

ACCOUNTS RECEIVABLE FROM AND PAYABLE TO FININVEST GROUP AND DORIS GROUP COMPANIES

“Commercial receivables” mainly refer to the recharge of personnel costs and insurance commissions of 2,158 thousand Euro of Mediolanum Assicurazioni S.p.A., which is jointly owned (50-50) by the Fininvest Group and the Doris Group, as well as to amounts due from Edilnord Gestioni S.p.A. for 65 thousand Euro, relating to the pre-payment of rental fees.

“Commercial payables” mainly covers contractually defined provisions for computer services, telecommunications, and the use of services by the Fininvest Group companies and their associated companies (R.T.I. S.p.A. for 17 thousand Euro, Alba Servizi S.p.A. for 69 thousand Euro, Edilnord Gestioni S.p.A. for 69 thousand Euro, E.I.S. for 47 thousand Euro). The costs came to 373 thousand Euro and were recharged by Mediolanum Assicurazioni S.p.A..

<i>Euro in thousands</i>	Fininvest Group and associated companies	Doris Group
Commercial revenues	3,268	2,676
Commercial costs	3,120	32
Investment income	0	0
Investment charges	0	0
Extraordinary income	0	0
Extraordinary charges	0	0

REVENUES/COSTS WITH FININVEST GROUP AND DORIS GROUP COMPANIES

“Commercial revenues” mainly relates to real estate lease instalments totalling 303 thousand Euro, recharged personnel costs and recovery costs of 537 thousand Euro and commissions on the sale of non-Life insurance policies of 4,511 thousand Euro by Mediolanum Assicurazioni S.p.A. which is jointly owned (50-50) by the Fininvest Group and the Doris Group companies, and to real estate lease instalments and shared expenses of 593 thousand Euro from R.T.I. S.p.A.

“Commercial costs” mainly related to advertising and property management services provided by Fininvest Group companies (136 thousand Euro for Mondadori Pubblicità S.p.A., 276 thousand Euro for Publitalia’80 S.p.A, 249 thousand Euro for Albacom S.p.A., 548 thousand Euro for Edilnord Gestioni S.p.A., 65 thousand Euro for Arcus immobiliare S.p.A, 200 thousand Euro for Alba Servizi S.p.A., 1,438 thousand Euro for Consorzio Aereomobili Fininvest), and to an insurance policy for 65 thousand Euro taken out by Mediolanum Assicurazioni S.p.A., which is jointly owned (50-50) by the Fininvest Group and the Doris Group.

There were no atypical or unusual transactions with associated parties in the year.

ATTACHMENTS The consolidated cash flow statement is attached (Attachment 4).

For the Board of Directors
The Chairman
Mr. Roberto Ruozi

MEDIOLANUM GROUP

ATTACHMENTS



ATTACHMENT 1

ANALYSIS OF CHANGES IN INTANGIBLE ASSETS AT DECEMBER 31, 2001

Euro in thousands

Intangible assets	Opening situation			
	Historic cost	Accum. Amortis.	Opening balance	Additions
Start-up and expansion costs	44,243	(20,130)	24,113	572
Concessions, licences, trademarks and similar rights	12,134	(6,351)	5,783	2,319
Improvements on leased properties	2,355	(1,974)	381	265
Assets under formation and advances	93	0	93	425
Consolidation difference	0	0	0	164
TOTAL	58,825	(28,455)	30,370	3,745

ATTACHMENT 2

ANALYSIS OF CHANGES IN TANGIBLE FIXED ASSETS AT DECEMBER 31, 2001

Euro in thousands

Tangible fixed assets	Opening situation			
	Historic cost	Accum. Amortis.	Opening balance	Additions
Land and buildings	87,345	(7,154)	80,191	189
Plant and machinery	190	(124)	66	0
Industrial and trade equipment	1,233	(780)	453	309
Other tangible fixed assets	12,359	(9,418)	2,941	1,607
Assets under formation and advances	0	0	0	9
TOTAL	101,127	(17,477)	83,651	2,114

Movements for the period			Closing situation		
Net disposals	Amortisation	Net reclassifications	Historic cost	Accum. Amortis.	Closing balance
0	(8,041)	0	44,815	(28,171)	16,644
(217)	(2,693)	265	14,447	(8,990)	5,457
0	(250)	0	2,620	(2,224)	396
0	0	(295)	223	0	223
0	(5)	0	164	(5)	159
(217)	(10,989)	(30)	62,269	(39,390)	22,879

Movements for the period			Closing situation		
Net disposals	Amortisation	Net reclassifications	Historic cost	Accum. Amortis.	Closing balance
(1,812)	(1,096)	0	85,059	(7,587)	77,472
0	(25)	0	190	(149)	41
0	(130)	0	1,542	(910)	632
(57)	(1,242)	8	13,654	(10,396)	3,258
0	0	(8)	1	0	1
(1,869)	(2,493)	0	100,446	(19,042)	81,404

ATTACHMENT 3

ANALYSIS OF CHANGES IN CONSOLIDATED CAPITAL AND RESERVES AT DECEMBER 31, 2001

<i>Euro in thousands</i>	Share capital	Net equity reserves	Consolidation reserve
Consolidated balance at December 31, 2000	74,883	99,632	95,715
Increase of paid-in share capital	5	10	
Decrease of share capital	(2,386)	2,386	
Allocation of profit for the period			
- payment of dividends out of profits			
- reserve		1,730	8,060
Creation of reserve for own shares		(3,504)	
Consolidation of Mediolanum International Life Ltd			
Consolidation by the equity method of companies previously valued at cost			
Profit (loss) for the period			
Consolidated balance at December 31, 2001	72,502	100,254	103,775

Reserve diff. val. of non-consolidated companies	Reserve for exchange rate difference	Reserve for own shares and shares of parent company	Consolidated profit	Total shareholders' equity
73,096	0	4,094	115,443	462,863
				15
				0
				0
			(69,244)	(69,244)
36,409			(46,199)	0
		3,504		0
	77			77
(1,223)				(1,223)
			103,255	103,255
108,282	77	7,598	103,255	495,743

ATTACHMENT 4

Euro in thousands

31.12.01

CONSOLIDATED CASH FLOW STATEMENT AT DECEMBER 31, 2001

Opening cash	159,841
Group profit (loss) for the period	103,255
Net amortisation, depreciation and provisions for risks and charges	14,303
Net gains on the disposal of fixed assets	(15,512)
Change in technical reserves net of reinsurance	621,854
Change in tax provision and other specific provisions	9,514
Net change in employee termination indemnity	(532)
Net change in payables and receivables with insurers and reinsurers	(39,232)
Net change in other receivables and payables and other assets and liabilities	36,902
Net change in accruals and prepayments and deferrals	2,584
Cash flow from operating activities	733,136
Net investments in intangible assets	(3,500)
Net investments in tangible fixed assets	1,099
Net increase in equity interests held	11,519
Own shares acquired	(3,504)
Net increase in other financial investments	(653,386)
Cash flow from investing activities	(647,772)
Utilisation of credit lines	104,083
Change in Group's net shareholders' equity	15
Share capital increase	(1,146)
Cash flow from financing activities	102,952
Dividends distributed	(69,244)
Cash flow for the period	119,072
Closing cash and cash equivalents	278,913



ANDERSEN

Arthur Andersen SpA

Via della Moscova 3
20121 Milano

www.andersen.com

**Report of the Independent Auditors pursuant to art. 156
of Legislative Decree no. 58 of February 24, 1998**
(Translation from the Original issued in Italian)

To the Shareholders of
Mediolanum S.p.A.:

1. We have audited the consolidated financial statements of Mediolanum S.p.A. and its subsidiaries as of and for the year ended December 31, 2001. These consolidated financial statements are the responsibility of Mediolanum's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in Italy as recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

For our opinion on the prior year's consolidated financial statements, which are presented for comparative purposes as required by law, reference should be made to our auditors' report dated March 27, 2001.

3. In our opinion, the consolidated financial statements of Mediolanum S.p.A. and its subsidiaries as of and for the year ended December 31, 2001, comply with the Italian statutory provisions related to consolidated financial statements; therefore they give a true and fair view of the financial position and results of operations of the Company and its subsidiaries.

Milan, Italy
March 29, 2002

s/Riccardo Azzali - Partner

MEDIOLANUM S.P.A.

*FINANCIAL STATEMENTS
AT DECEMBER 31, 2001*



Ordinary and Extraordinary Shareholders' Meeting of April 23, 2002

SUMMARY OF MEETING RESOLUTIONS

63.87% of the company's share capital was represented, either in person or by proxy, at the shareholders' meeting and deliberated the following:

- Modification of Article 23 of the Corporate By-Laws, adding the following clauses after Clause 1:

"In compliance with the provisions established by the rules and regulations currently in force, a minimum number of two Statutory Auditors, and both Alternate Statutory Auditors, must be enrolled in the Register of Auditors and have a legal auditing background of at least three years."

"Any Statutory Auditor who may not satisfy the professionalism requirement set forth in the previous clause must have accrued an overall experience of at least three years as a professional or university teacher (with a permanent status) in law, economics, finance and technical-scientific subjects relating to the finance, banking or insurance sectors."

"Furthermore, Statutory Auditors must fulfil the background requirements set forth above."

"The Board of Directors verifies the fulfilment of the aforesaid qualification and professionalism requirements concerning Statutory Auditors."

- Reformulation of clause 5 of the same Article 23 (now clause 9, due to the clauses added above), to read as follows:

"The same deadline shall apply to the statement to be lodged by each candidate accepting his or her office and declaring, bearing liability thereof, the inexistence of any ineligibility or incompatibility cause established by the law, including the limit to a plurality of offices, as per the following clause. Moreover, any such statement shall point out that the respectability and professionalism requirements prescribed by the law and the Corporate Bylaws for the members of the Board of Statutory Auditors are fully satisfied."

The Ordinary Shareholders' Meeting in majority, deliberated the following:

- Approval of the financial statements as at December 31, 2001, as well as the Report of the Board of Directors on Operations;

- Allocation of operating profit of 97,714,102 Euro as follows:

- Distribution of dividends of 0.10 Euro per share at a nominal value of 0.10 Euro, gross of withholding tax according to the law, with the exclusion of the company's own shares held as at the evening of May 17, 2002;

- The remaining amount to the extraordinary reserve, since the legal reserve has already reached the limit established by the law;

- Payment of the proposed dividend to the shareholders as of May 23, 2002.”
- Entrusting the administration of the company to a Board of Directors of 12 members;
- Confirmation of the appointment of the following Directors for the current year and the two subsequent years, and in any case until approval of the financial statements at December 31, 2004:

- Marina Elvira Berlusconi;
- Ennio Doris;
- Massimo Antonio Doris;
- Alessandro Grimaldi;
- Edoardo Lombardi;
- Alfredo Messina;
- Mario Marco Molteni;
- Angelo Renoldi;
- Roberto Ruozi;
- Paolo Sciumè;
- Claudio Sposito;
- Antonio Zunino;

- Confirmation of Mr. Roberto Ruozi as Chairman of the Board of Directors;
- The establishment of, until further decisions are taken, a total gross consideration of 1,120,000 Euro per year to the Board of Directors, to be broken down by the Board among the members thereof.

- Confirmation of the appointment of the following members of the Board of Statutory Auditors, for three years and in any case until approval of the financial statements at December 31, 2004:

- Arnaldo Mauri, Chairman;
- Achille Frattini, Statutory Auditor;
- Francesco Antonio Giampaolo, Statutory Auditor;
- Francesco Vittadini, Alternate Statutory Auditor;
- Ferdinando Gatti, Alternate Statutory Auditor.

- The determination of a total annual gross consideration to the Board of Statutory Auditors, apart from reimbursement of any cost incurred while performing their duties, of:

- 41,000 Euro to the Chairman of the Board of Statutory Auditors;
- 27,000 Euro to each Statutory Auditor.

- In compliance with Article 159 of Legislative Decree 58/98, the conferment of the task of auditing the consolidated financial statements for the years 2002, 2003 and 2004, to the auditing company Reconta Ernst & Young, for a total consideration of 78,000 Euro per year, after VAT and expenses, for an overall amount of 840 hours;
- The conferment of the task of auditing the consolidated half-year results, at June 30, 2002, 2003 e 2004, to the auditing company Reconta Ernst & Young, for a total consideration of 31,000 Euro per year, after VAT and expenses, for an overall number of 360 hours.”
- Authorisation to the Board of Directors to buy as well as assign own shares up to a maximum of 3,000,000 shares at a nominal value of 0.1 Euro, equivalent to 0.41% of the share capital, with a limit of 50 million Euro, for a period of one year or until the date when the Shareholders approve the 2002 financial statements.

The Shareholders have taken notice of the “Statement on the adherence to the recommendations contained in the Self-Regulatory Code for listed companies.”

- On April 24, 2002, the Board of Directors' meeting confirmed the following appointments:
 - Deputy Chairman - Alfredo Messina;
 - Executive Vice President - Edoardo Lombardi;
 - Chief Executive Officer - Ennio Doris;
 - Secretary of the Board - Luca Maria Rovere.

With reference to the Consob notice indicated in the margin, it is hereby confirmed that the delegations of authority granted to each member of the Board are specified as follows:

- It is the Chairman's legal right, under the articles of incorporation, to undertake the legal representation of the Company, with power of attorney.
- It is the Deputy Chairman's legal right, under the articles of incorporation, to undertake the legal representation of the Company, with power of attorney, and to take the place of the Chairman in the event of the latter's absence or impediment. The Deputy Chairman is also conferred all ordinary administration powers, with power of attorney, as well as functional and managerial responsibility in the following areas: fiscal matters, corporate matters, business administration and control, finance, legal matters and internal auditing.
- It is the Vice Chairman's legal right, under the articles of incorporation, to undertake the legal representation of the Company, with power of attorney, and to take the place of the Chairman in the event of his and the Deputy Chairman's absence or impediment. The actual exercise of the corporate representation powers by a Vice Chairman is evidence in itself of the Chairman's absence or impediment.
- It is the Managing Director's legal right, under the articles of incorporation, to undertake the legal representation of the company, with power of attorney. The Managing Director is also conferred all ordinary and extraordinary administrative powers, within the limits stated in the company's articles of incorporation.

Directors' report on the financial statements at December 31, 2001

Dear Shareholders,

the financial statements at December 31, 2001 that are presented here for your examination and approval show a net profit of 97,714,102 Euro (2000: 70,974,151 Euro), after taxes of 17,232,504 Euro (2000: 24,373,611 Euro).

The consolidated financial statements, which are covered in the Directors' Report on the Group, show a net profit of 103,255 thousand Euro (2000: 115,443 thousand Euro). Results are influenced by the depreciation of goodwill of new acquisitions (Fibanc Group and Gamax Group), by the financial charges associated with such investments, as well as by the start-up costs for Banca Esperia S.p.A..

Consolidated shareholders' equity at December 31, 2001 is 21,396 million Euro (a 19.9% increase over last year).

THE ACTIVITIES OF THE MEDIOLANUM GROUP

During the year, the company and its controlled companies demonstrated their ability – despite the crisis in international financial markets – to hit a new record inflows, exceeding the results reached last year, thus confirming once again their soundness.

During 2001, the Group continued its research for the European market. These efforts led to the acquisition of a 100% interest in the Luxembourg company Gamax Holding AG, a holding company involved in the management and distribution of financial products mainly in Germany. The German market was also the focus of the acquisition of Bankhaus August Lenz & Co for 12.5 million Euro and was finalized in January of that year.

Following a joint venture with Compagnie Monégasque de Banque and obtaining all the necessary authorisations, Mediolanum Private S.a.m was set up. This company provides management, brokerage and consultancy activities to private, international customers.

During the year, a new version of Chorus was launched, which is a managed account in funds units, enhanced with new risk profiles.

The funds under Irish legislation Challenge and Top Managers were also enhanced with new risk profiles.

The level of customer loyalty has been very high for many years now, and in 2001 the customer retention rate was 95.5%. The acquisition of new customers is just as significant (95,500, + 15.5%), thanks to the joint efforts on the part of the sales network, which totalled 6,893 professionals (2000: 6,379) and to the advertising campaign carried out during the year 2001. This advertising campaign proved particularly effective in increasing the spontaneous awareness of the Banca Mediolanum brand, which is now in the region of 15%. Today, Banca Mediolanum S.p.A., which is already perceived as an innovative bank, reached a level of awareness in the market similar to that of the most prestigious Italian banks.

During 2001, the technical-functional coordination of the Groups' companies was continued.

THE ACTIVITY AS THE GROUP'S PARENT COMPANY

The operational activities of the controlled companies Mediolanum Vita S.p.A. and Mediolanum Assicurazioni S.p.A., jointly owned (50-50) by the Fininvest Group and the Doris Group, were carried out either directly or indirectly through the controlled companies to which the sales network refers.

Revenues from this activity totalled 214 million Euro (2000: 195 million Euro). Of this amount, 209 million Euro came from business carried out by the controlled company Mediolanum Vita S.p.A., and 5 million Euro came from Mediolanum Assicurazioni S.p.A., based on contractually defined relationships and are stated at market value.

The costs related to this activity consist of commissions paid to the controlled company Banca Mediolanum S.p.A. for a total of 180 million Euro (2000: 148 million Euro). This represents remuneration that is determined on a contractual basis for brokerage activities performed as an insurance sub-agent. General costs amounted to 40 million Euro (2000: 33 million Euro). The increase is mainly linked to structural enhancement.

The relationships with controlled companies, as per Article 2428, clause 2, point 2 of the Italian Civil Code, will be commented on in the Notes.

THE OPERATING ACTIVITY

THE MOST SIGNIFICANT EVENTS OF 2001

In March 2001, a share capital increase of 15 million Euro was subscribed to the company Banca Esperia S.p.A. (formerly DueMme S.p.A). Banca Esperia is a joint venture with Mediobanca operating in the private banking sector in Italy.

In May, a 10% interest was acquired in the company Tredicimarzo S.r.l. for 1,000 Euro, upon payment of 14 million Euro.

In July, Following the joint venture with Compagnie Monégasque de Banque, Mediolanum Private S.A.M. was set up. This company provides management, brokerage and consultancy activities to private, international customers. The company's share capital is 500,000 Euro, 75% of which is held by the controlled company Mediolanum International S.A..

In August 2001, a 100% interest was acquired in Western International Life Ltd, a Dublin-based company subsequently named Mediolanum International Life Ltd. The total cost of the operation was 15 million Euro.

In September, a 71 million Euro increase in share capital was in Mediolanum International S.A. enabling the acquisition of Gamax Holding Ag for 70.6 million Euro. Price increases are expected in the 2002-2004 period should the growth targets established in a specific three-year plan be reached.

In November, the transfer of our interest held in the companies Vicenza Life Ltd and Vicenza Funds Ltd to Banca Popolare di Vicenza was finalised at a gain of 11.5 million Euro.

In December 2001, a 3.4% interest was acquired in Consortium S.r.l. for an amount totalling 28.7 million Euro. This transaction, along with the acquisition of an interest in the company Tredicimarzo S.r.l., had the objective of maintaining the Group's weight within the voting block of Mediobanca S.p.A..

During the year, in compliance with a resolution of the Board of Directors of the company, an increase in share capital of the controlled company Banca Mediolanum S.p.A. was made totalling 84.7 million Euro in order to provide the company with the instruments needed to support the development of its business.

During the year under review, with the establishment of the “Reserve for Company’s own shares”, 1,136,500 own shares (amounting to 113,650 Euro at nominal value, equal to 0.1567% of Share Capital) were purchased at a total cost of 11,852,490 Euro, following a resolution made by the Assembly. Deducting the 691,500 shares disposed of (amounting to 69,160 Euro at nominal value, equal to 0.00953% of Share Capital), a net gain of 697,002 Euro was obtained. At the end of the year, the 746,500 own shares held amounted to 74,650 Euro at nominal value, representing 0.1029% of Share Capital.

Banca Mediolanum S.p.A. (100% owned)

Head office: Basiglio (Milan) - Share Capital 241,000,000 Euro wholly paid-up. The financial statements as at December 31, 2001, approved by the Board of Directors, show a profit for the year of 6,506,036 Euro (2000: 5,773,333 Euro).

The company’s activity, focusing on the global offer of banking, financial and pension plan services to households, integrated new Internet functions, such as on-line trading of funds and on-line trading tools specially intended for heavy traders. The number of current accounts with the bank at year end was 297,252 (+ 35.6% with respect to 2000) totalling 2,924.6 million Euro (2000: 1,562.8 million Euro).

Gross sales of mutual fund compartments amounted to 3,116.5 million Euro (2000: 3,270.7 million Euro).

Inflows of Life recurring premiums rose 42.1% over last year. Total inflows of new Life premiums totalled 1,022.9 million Euro (2000: 1,058.2 million Euro).

Commission income totalled 295.2 million Euro (2000: 310.1 million Euro), against commission payable for 195.4 million Euro (2000: 210.8 million Euro).

There were 5,585 advisors in the sales network as at December 31, 2001. (+404 over 2000).

Post-balance sheet events suggest a positive future operating trend.

Mediolanum Vita S.p.A. (100% owned)

Head office: Basiglio (Milan) - Share Capital 87,720,000 Euro wholly paid-up. The financial statements at December 31, 2001, approved by the Board of Directors, show a profit for the year of 10,381,742 Euro (2000: 5,564,686 Euro).

**THE PERFORMANCE
OF COMPANIES
IN WHICH
INVESTMENTS
ARE HELD**

Despite the turbulence characterised by 2001, premiums issued rose by 5% over 2000.

Two new products were launched: Tax Benefit, which is a new version of the existing product Europension and which satisfies the requirements set by the new fiscal regulation, and the second, "Life Funds", a unit-linked whole life policy.

Summary of balance sheet and income statement information

The main balance sheet categories are summarised as follows:

<i>Euro in thousands</i>	31.12.2001	31.12.2000
Real estate investments	85,064	87,349
Security investments	2,194,551	2,487,780
Gross Life insurance reserves	2,009,135	2,355,444
Index/unit linked reserves	4,604,969	3,668,407
Pension fund reserves	2,003	1,189
Net shareholders' equity	227,933	217,551

At December 31, 2001, mathematical reserves amounted to 2,054 million Euro.

The solvency margin amounts to 128 million Euro, while net assets available to cover it amounted to 208 million Euro, around 1.6 times the solvency margin.

Based on the performance in the first few months of 2001, a positive result for the year seems likely.

Mediolanum Gestione Fondi SGR p.A. (100% owned)

Head office: Basiglio (Milan) - Share Capital 5,164,600 Euro wholly paid-up.

The financial statements at December 31, 2001, approved by the Board of Directors, show a profit for the year of 12,783,110 Euro (2000: 19,834,479 Euro).

The company manages open-ended mutual funds and closed pension funds.

Gross inflows of mutual funds in the year amounted to 437 million Euro (2000: 805 million Euro) while net inflows of mutual funds were negative at 492 million Euro (2000: -513 million Euro); managed assets as at December 31, amounted to 2,019 million Euro (- 25.2% over 2000).

Commission Income totalled 54,439,668 Euro (-37.3% over 2000), management commission payable amounted to 26,917,212 Euro (2000: 47,908,266 Euro), other administration expenses were limited to 8,586,035 Euro (2000: 8,281,171 Euro).

The decrease in managed assets resulted from the severe crisis that hit financial markets, leading subscribers to favour new forms of investment.

A positive result for the year 2002 seems likely.

Partner Time S.p.A. (100% owned)

Head office: Basiglio (Milan) - Share Capital 520,000 Euro wholly paid-up.

The financial statements at December 31, 2001, approved by the Board of Directors, show a profit for the year of 7,066,463 Euro (2000: 3,856,920 Euro).

The company distributes the insurance products of the affiliate Mediolanum Vita S.p.A., through a network of insurance agents in a market segment different from the sales network of Banca Mediolanum S.p.A.. During the year, inflows of new business premiums exceeded 17 million Euro (2000: 12 million Euro), commission income totalled 25.8 million Euro (2000: 16.8 million Euro) whereas commissions to the sales network totalled 11.2 million Euro (2000: 8.3 million Euro).

There were 1,308 insurance agents at December 31, 2001.(31.12.2000: no. 1,198).

A positive result for the year 2002 seems likely.

Mediolanum State Street SGR p.A. (50% owned)

Head office in Basiglio (Milano) - Share Capital 2,600,000 Euro wholly paid-up.

The financial statements as at December 31, 2001, approved by the Board of Directors, show a profit for the year of 443,533 Euro (2000: 61,531 Euro).

The company manages a closed-end mutual fund named "Fondamenta", launched in 2001 and also manages pension funds assets and the assets of Public Bodies and Foundations.

Managed Assets as at December 31, 2001 totalled 283 million Euro (2000: 289 million Euro). The commitments subscribed by the closed-end mutual fund participants totalled 136 million Euro.

Commission Income totalled 1.9 million Euro (2000: 0.5 million Euro).

A positive result for the year 2002 seems likely.

Mediolanum International Funds Limited (100% owned)

Head office: Dublin (Ireland) – Share Capital 150,000 Euro wholly paid-up.

The financial statements as at December 31, 2001, approved by the Board of Directors, show a profit for the year of 76,784,667 Euro (2000: 72,127,854 Euro).

The company manages mutual funds in accordance with Irish law. Entry fees amounted to 32.7 million Euro, and management fees totalled 113.3 million Euro.

A positive result for the year 2002 seems likely.

Mediolanum Asset Management Ltd (100% owned)

Head office: Dublin (Ireland) – Share Capital 150,000 Euro.

The financial statements at December 31, 2001, approved by the Board of Directors, show a profit for the year of 371,768 Euro (2000: a loss of 51,129 Euro).

The company provides asset management and consulting services.

Mediolanum International S.A. (99.8% owned)

Head office: Luxembourg – Share Capital 71,500,000 Euro wholly paid-up

The financial statements at December 31, 2001, approved by the Board of Directors, show a loss of 39,891.20 Euro (2000: a profit of 1,514.72 Euro).

The company holds 100% of Gamax Holding s.a. and 75% of the company Mediolanum Private S.A.M..

Mediolanum International Life Ltd (100% owned)

Head office: Dublin - Share Capital 1,394,750 Euro wholly paid-up.

The financial statements at December 31, 2001, approved by the Board of Directors, show a loss of 396,365 Euro.

In October 2001, the company under Irish legislation that was acquired during the period started the commercialisation its Life insurance products in Spain, using its own stable organisation. Distributionwise, it relies on the Fibanc network.

Mediolanum Comunicazione S.r.l. (100% owned)

Head office: Basiglio (Milan) - Share Capital 775,000 Euro wholly paid-up.

The financial statements as at December 31, 2001, approved by the Board of Directors, show a profit for the year of 101,780 Euro (2000: a loss of 42,092 Euro).

The company continued to provide integrated services in the communication field internally with the Group. In the course of the year, the new channel Mediolanum Channel started broadcasting. TV production activities continued, such as: a programme dedicated to the preparation of the financial advisors for the licensing exam; "Gente di Mediolanum Channel; Campus", a morning news show addressing all kinds of members of the community; "Dietro il futuro", which outlines the history and perceptions of the company. A positive result for the year 2002 seems likely.

PI Distribuzione S.r.l. (100% owned)

Head office: Basiglio (Milan) - Share Capital 517,000 Euro wholly paid-up

The financial statements at December 31, 2001, approved by the Board of Directors, show a loss of 186,543 Euro (2000: a loss of 257,865 Euro).

The company is involved in real estate brokerage for the tourist industry. The steady fall in sales volume due to the stagnating market of tourist-oriented hotel facilities led the company – as of December 2001 – to implement commercial activities for the sales of "time share-properties", which are expected to improve operating results.

Commission income from sales activities amounted to 297,204 Euro (2000: 145,931 Euro), compared to commissions allocated to the sales network for 73,629 Euro (2000: 89,288 Euro).

Mediolanum Fiduciaria S.p.A. (100% owned)

Head office: Basiglio (Milan) - Share Capital 510,000 Euro wholly paid-up

The financial statements at December 31, 2001, approved by the Board of Directors, show a loss for the year of 14,927 Euro (2000: a loss of 21,572 Euro).

The company is a trust without discretionary power and is currently non-operational, as it has fulfilled all the mandates received. A study is currently under way to evaluate the possibility of reactivating it in its capacity as a trust.

**POST BALANCE
SHEET EVENTS**

In January 2002, the controlled company Banca Mediolanum made provisions to finalise the acquisition of the German company Bankhaus August Lenz & Co. In March 2002, another increase in share capital of 10 million Euro in the controlled company Banca Mediolanum S.p.A. was executed, thus bringing share capital to 251 million Euro.

Also in March, within the framework of a project reorganising the Mediolanum Group, the majority interest in the following companies: Mediolanum International Funds Limited, Mediolanum Gestione Fondi Sgr.p.A., Mediolanum Asset Management Ltd, Mediolanum International S.A. was transferred to the controlled company Banca Mediolanum S.p.A.

Based on the positive results emerging from the controlled companies' financial statements at 31 December, 2001, examined by the respective Boards of Directors, and on the fact that no major events occurred after the end of the year, positive results are expected for 2002. There were no atypical or unusual transactions with associated parties.

INFORMATION ON THE EMPLOYEES STOCK OPTION PLAN

On May 8, 2001, the Board of Directors decided, in relation to the shares assigned to employees in 1999 within the Employees stock option plan, to reduce the duration of the non-availability constraint expiring at such date;

- to bring forward the exercise period of options assigned on April 30, 1999 of the Consultants stock option plan, establishing that the exercise of the option and the consequent increase in share capital must occur between May, 2001 and December 31, 2001. Should the capital not be completely subscribed by December 31, it will be regarded as underwritten for an amount equal to the subscriptions made;

- to make a paid increase in share capital, according to the powers delegated by the Ordinary and Extraordinary Meeting on October 13, 1998, of 30,000 Euro by the issue of 300,000 shares at nominal value of 0.1 Euro each, dividends payable from January 1 of the current year to the date of issue, excluding shareholders' stock rights, pursuant to Article 2441, clause 5 and 8 of the Italian Civil Code, to be related to the options previously assigned to the 61 consultants participating in the Consultants Stock Option Plan (third year).

On May 11, 2001, according to the powers delegated by the ordinary and Extraordinary Meeting on April 12, 2001, the Board of Directors decided for a paid increase in share capital amounting to 42,000 Euro. The share capital was increased by the issue of 420,000 shares at a nominal value of 0.1 Euro each, dividends payable from January 1 of the current year to the date of issue, excluding shareholders' stock rights, pursuant to Article 2441, clause 8 of the Italian Civil Code, and Article 134, clause 3 of Legislative Decree 58/98, to be offered to employees of the company and/or of the controlled companies thereof, pursuant to Article 2359, clause 1, no.1 of the Italian Civil Code.

- to increase the share capital by 10,000 Euro through the issue of 100,000 shares at a nominal value of 0.1 Euro each, dividends payable from January 1 of the current year to the date of issue, excluding shareholders' stock rights, pursuant to Article 2441, clause 5 of the Italian Civil Code, to be offered to the directors who are not employees of the company and/or companies controlled thereby pursuant to Article 2359, clause 1, no.1.

- to increase the share capital of 60,000 Euro by the issue of 600,000 shares at a nominal value of 0.1 Euro each, dividends payable from January 1 of the current year to the date of issue, excluding shareholders' stock rights, pursuant to Article 2441, clause 5 of the Italian Civil Code, to be offered to the consultants of the company and/or companies controlled thereby pursuant to Article 2359, clause 1, no.1 of the Italian Civil Code.

In compliance with the provisions set forth in Article 79 of the Consob deliberation no. 11971 of May 14, 1999, we hereby enclose Table 3, which pertains to the investments held by the Directors and Statutory Auditors of the company and its subsidiaries, and that were drawn up in compliance with the criteria established in Attachment 3C as per the aforementioned deliberation.

Dear Shareholders,

We can confirm that the financial statements at December 31, 2001, presented here for your examination and approval, have been prepared in accordance with existing legal requirements. We invite you to approve the financial statements and this Directors' report and we propose to allocate the profit for the year of 97,714,101.80 Euro as follows:

- 0.10 Euro dividend per share before taxes to the shareholders with a nominal value of 0.10 Euro, with the exception of own shares held at the evening of May 17, 2002;
- the remaining amount to go to the Extraordinary Reserve, since the legal reserve has already reached the amount established by law.

Note that, upon approval of the financial statements, the Board of Directors and the Board of Statutory Auditors will conclude their mandate. The certification tasks entrusted to the company Andersen S.p.A. shall also terminate. Thus, provisions need to be made in this respect.

For the Board of Directors
The Chairman
Mr. Roberto Ruozi

TABLE 3

STAKES HELD BY DIRECTORS, AUDITORS AND GENERAL MANAGERS

Name	Company		
PREDA STEFANO	MEDIOLANUM S.p.A.	Chairman ^(*)	(di)
LOMBARDI EDOARDO	MEDIOLANUM S.p.A.	Executive Vice President	(di)
DORIS ENNIO	MEDIOLANUM S.p.A.	Chief Executive Officer	(di)
			(ii)
			(u)
			(s)
DORIS MASSIMO ANTONIO	MEDIOLANUM S.p.A.	Director	(di)
			(bo)
MAURI ARNALDO	MEDIOLANUM S.p.A.	Chairman C.S.	(di)
			(s)
FRATTINI ACHILLE	MEDIOLANUM S.p.A.	Statutory Auditor	(s)

NOTE: (1) NOMINAL VALUE OF LIRE 200

(2) Nominal value of € 0.1

(di) direct equity interest

(ii) indirect equity interest

(u) usufruct with spouse

(s) spouse

(bo) bare ownership

(*) Terminated on April 12, 2001.

Number of shares (1) at the end of the previous year (31.12.2000)	Number of shares (2) purchased in 2001	Number of shares (2) sold in 2001	Number of share (2) owned at the end of the current year (31.12.2001)
25,054	2,000	2,000	25,054
538,000	33,750	30,000	541,750
25,115,070	405,000	=	25,520,070
130,547,725	3,368,000	2,057,650	131,858,075
75,210,000	=	=	75,210,000
25,108,205	=	=	25,108,205
=	10,550	=	10,550
14,475,000	=	=	14,475,000
=	700	=	700
500	=	=	500
6,000	=	=	6,000

MEDIOLANUM S.P.A.

*FINANCIAL STATEMENTS
AT DECEMBER 31, 2001*



Balance sheet

ASSETS	<i>Euro</i>	31.12.01	31.12.00
A) Due from shareholders for share capital still to be paid in		0	0
B) Fixed assets			
I - Intangible assets:			
Start-up and expansion costs		1,347	48,015
Patents and intellectual property rights		0	0
Concessions, licences, trademarks and similar rights		1,291,766	1,532,547
Other intangible assets		269,202	273,403
Intangible assets under formation and advances		112,314	92,962
TOTAL INTANGIBLE ASSETS		1,674,629	1,946,927
II - Tangible fixed assets			
Plant and machinery		0	0
Other assets		2,727,536	1,876,342
Assets under formation/Payments on account		1,275	0
TOTAL TANGIBLE FIXED ASSETS		2,728,811	1,876,342
III - Financial assets			
Investments in:			
Controlled companies		456,897,676	286,174,861
Affiliated companies		25,811,586	15,608,860
Other companies		157,367,721	128,550,625
Paid into fund for investment		14,000,000	0
Accounts receivable:			
Due from controlled companies		2,102,658	707,133
<i>of which 2,065,828 due within one year</i>			
Due from other companies		540,733	598,581
TOTAL FINANCIAL ASSETS		656,720,374	431,640,060
TOTAL FIXED ASSETS		661,123,814	435,463,329
C) Current assets			
I - Inventory		0	0
II - Accounts receivable:			
Due from customers		162,124	292,209
Due from controlled companies		52,016,405	17,315,899
Due from associated companies		33,835	163,310
Due from Fininvest Group and Doris Group companies		2,158,433	1,453,539
Due from others		17,778,537	17,039,409
TOTAL ACCOUNTS RECEIVABLE		72,149,334	36,264,366
III - Current financial assets			
Other investments		589	589
Own shares held (total nom. value 74,650)		7,597,873	4,094,299
Other securities		0	0
TOTAL FINANCIAL ASSETS		7,598,462	4,094,888
IV - Liquid assets			
Bank and postal deposits		4,857,160	2,612,202
Cash		10,544	10,179
TOTAL LIQUID ASSETS		4,867,704	2,622,381
TOTAL CURRENT ASSETS		84,615,500	42,981,635
D) Prepayments and accrued income			
Accrued income		6,881	6,881
Prepayments		115,992	92,996
TOTAL PREPAYMENTS AND ACCRUED INCOME		122,873	99,877
TOTAL ASSETS		745,862,187	478,544,841

Euro	31.12.01	31.12.00
A) Capital and reserves		
I - Share capital	72,502,050	74,883,203
II - Share premium reserve	45,619,053	45,609,053
III - Revaluation reserve	0	0
IV - Legal reserve	17,362,794	14,083,944
V - Reserve for company's own shares	7,597,873	4,094,299
VI - Statutory reserve	0	0
VII - Other reserves:		
surplus from merger	0	0
extraordinary reserve	37,272,882	39,939,034
VIII - Retained earnings (loss)	0	0
IX - Profit (loss) for the period	97,714,102	70,974,151
TOTAL CAPITAL AND RESERVES	278,068,754	249,583,684
B) Provisions for risks and charges		
Provision for deferred taxes	0	0
Other	1,701,249	1,666,422
TOTAL PROVISIONS FOR RISKS AND CHARGES	1,701,249	1,666,422
C) Employee termination indemnity	3,199,685	2,850,568
D) Accounts payable		
Bank debt	175,021,555	172,939,232
Due to other financiers	102,000,000	0
Due to trade accounts	3,711,896	3,705,422
Due to controlled companies	178,361,609	43,682,460
Due to Fininvest Group and Doris Group companies	491,848	437,733
Due to shareholders	4,851	4,930
Due to tax authorities	1,639,330	2,124,387
Due to social security institutions	900,026	794,050
Other accounts payable	202,147	152,522
TOTAL ACCOUNTS PAYABLE	462,333,262	223,840,736
E) Accruals and deferred income		
Accrued expenses	559,237	603,431
TOTAL ACCRUALS AND DEFERRED INCOME	559,237	603,431

SHAREHOLDERS' EQUITY AND LIABILITIES

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	745,862,187	478,544,841
OFF-BALANCE SHEET ITEMS	10,314,691	2,566,481

Income statement

Euro	31.12.01	31.12.00
A) Value of production		
1) Revenues from sales and services	214,471,863	195,207,388
2) Change in properties held for resale (of buildings to be sold)	0	0
5) Other revenues	5,428,672	3,728,126
TOTAL VALUE OF PRODUCTION	219,900,535	198,935,514
B) Cost of production		
6) Raw, ancillary and consumable materials and goods	318,118	355,249
7) Services received	194,669,973	159,976,444
8) Leases and rentals	2,493,859	0
9) Personnel costs:		
wages and salaries	12,966,905	10,811,193
social security contributions	4,443,954	3,810,986
employee termination indemnity	1,052,482	864,625
other personnel costs	39,785	77,322
10) Depreciation, amortisation and write-downs:		
amortisation of intangible assets	793,352	1,375,900
depreciation of tangible fixed assets	807,164	710,670
14) Sundry operating costs	1,022,806	855,220
TOTAL COST OF PRODUCTION	216,114,539	181,331,468
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION	3,785,996	17,604,046
C) Investment income and charges		
15) Income from investments:		
in controlled companies	114,305,709	76,771,071
gain on disposal of non-investment securities included in current assets	719,878	2,698,218
16) Other investment income:		
from receivables from controlled companies included in fixed assets	43,279	29,218
from non-investment securities included in current assets	0	608,319
other financial income	1,237,316	1,490,900
17) Interest and other investment charges:		
paid to banks	(12,380,178)	(4,173,096)
discounts and other investment charges	(28,043)	(57,307)
TOTAL INVESTMENT INCOME AND CHARGES	103,897,961	77,367,323
D) Adjustments to the value of financial investments		
18) Write-ups		
19) Write-downs:		
of non-investment financial assets	(37,701)	0
of non-investment securities included in current assets	(28,815)	0
TOTAL ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	(66,516)	0
E) Extraordinary income and charges		
20) Income:		
gain on disposals	11,556,271	6,979
out of period revenues	82,920	719,981
other	0	0
21) Charges:		
loss on disposals	(1,402)	(1,981)
out of period expenses	(304,656)	(348,586)
TOTAL EXTRAORDINARY ITEMS	11,333,133	376,393
Profit before taxes	118,950,574	95,347,762
22) Income taxes for the period	(17,232,504)	(24,373,611)
PROFIT (LOSS) FOR THE PERIOD	101,718,070	70,974,151

Notes to the financial statements at December 31, 2001

The financial statements have been prepared in accordance with the provisions of the Italian Civil Code (C.C.). They consist of the balance sheet (prepared in the format required by Article 2424 and 2424 II of the C.C.), the income statement (prepared in the format required by Article 2425 and 2425 II of the C.C.) and these notes, which provide the information required by Article 2427 of the C.C., and by other provisions of the C. C. which relate to financial reporting and by other prior legislation. In addition, such information is provided as it is considered to be necessary to give a true and fair representation, even though it may not be required by law. Specifically, a cash flow statement and an analysis of movements in capital and reserves are provided.

The financial statements are in Euro.

Last year's financial statements were also converted in Euro.

FORM AND CONTENT OF THE FINANCIAL STATEMENTS

The most significant accounting policies that were adopted in the preparation of the financial statements at December 31, 2001, in accordance with Article 2426 of the Italian Civil Code, are as follows:

ACCOUNTING POLICIES

Intangible assets are recorded at cost, including incidental expenses and are directly adjusted by amortisation that is systematically calculated over a five-year period, except for trademarks which are amortised over ten years, in line with tax regulations.

INTANGIBLE ASSETS

Tangible fixed assets are recorded at purchase cost, including incidental expenses and direct and indirect costs that are chargeable to the asset in question, and net of accumulated depreciation. Tangible fixed assets are depreciated on a straight-line basis at depreciation rates that reflect the remaining useful life of the asset concerned. Tangible fixed assets purchased during the year are depreciated at 50% of the normally used rate to reflect their reduced utilisation. There have been no changes to depreciation policy.

TANGIBLE FIXED ASSETS

Investments are valued at historic cost and are reduced only in the event of permanent loss of value in the investments.

INVESTMENTS (INCLUDED IN FIXED ASSETS)

Receivables are included at their estimated realisable value.

RECEIVABLES

SHORT-TERM INVESTMENTS AND SECURITIES	These are shown at the lower between purchase cost (calculated using the weighted average cost criterion) or value brought forward from last year, and market value which, for listed investments, is calculated on the basis of the average listed price for the month of December. Non-listed investments are shown at nominal value, but not higher than their estimated realisable value.
ACCRUALS AND DEFERRALS	These consist of adjustments made to match costs and revenues to the accounting periods to which they are associated.
PROVISIONS FOR RISKS AND CHARGES	These provisions cover known or likely losses and reflect the best estimate of the expected losses, based on information available. The timing and extent of these losses cannot be determined at year-end.
EMPLOYEE TERMINATION INDEMNITY	This provision covers the liability to all employees for termination indemnities accrued in accordance with existing laws (Article 2120 of the Italian Civil Code) and specific national or company wage-bargaining contracts. This liability is subject to annual adjustments based on official indices.
INCOME TAXES	These are stated based on estimated taxable income in accordance with current tax laws, taking into account any available exemptions. In addition, deferred taxes are stated taking into account timing differences between reported results and taxable income.
PAYABLES	These are stated at nominal value.
OFF-BALANCE SHEET ITEMS	Securities and other assets of third parties in the safekeeping and guarantees are stated at face value, while leased or hired assets are shown at contractual value.
REVENUES AND EXPENSES	Revenues and expenses are recorded on an accrual basis. Dividends are recorded in the accounting period in which they are received.
OTHER INFORMATION	In accordance with the provisions set forth in Art. 78 by Consob (no. 11971 of May 14, 1999), Tables 1 and 2 are added to the financial statements. These are drafted following the criteria given in Attachment 3c of the aforementioned art. 78 regarding fees paid to directors and auditors, as well as the stock-options awarded to directors in 2001.

There were no exceptional circumstances which required departure from the legislation regarding financial statements (under Article 2423, clause 4 of the Italian Civil Code).

Attachments showing historic cost, accumulated depreciation and amortisation, changes for the year and the closing balance are provided for in the three fixed asset categories (intangible assets, tangible fixed assets and financial assets).

COMMENTS ON THE
BALANCE SHEET ASSETS
LINE ITEMS

Intangible assets (Attachment 1)

FIXED ASSETS

Intangible assets include:

Start-up and expansion costs: 1,347 Euro (2000: 48,015 Euro)

The decrease was due to the amortisation charge for the year.

These costs are amortised over five years, since it is believed that they will continue to produce economic benefits for at least five fiscal periods.

Under Italian law (article 2426 of the Civil Code), as long as such costs are not fully amortised, dividends can be distributed only if there are residual reserves sufficient to cover the amount of capitalised costs.

Concessions, licences, trademarks

and similar rights: 1,291,766 Euro (2000: 1,532,547 Euro)

The increase relates to new software purchased (423,862 Euro), and for the finalising and use of the new SAP accounting software (92,962 Euro). This was previously shown in the financial statements under *Intangible assets under formation and advances*.

The amortisation charge for the year was 541,074 Euro.

Other intangible assets 269,202 Euro (2000: 273,403 Euro)

The increase of 201,408 Euro is due to improvements on leased goods.

The decrease of 205,610 Euro is due to the amortisation charge for the year.

Intangible assets under formation and advances: 112,314 Euro (2000: 92,962 Euro)

The increase mainly relates to the new personnel management system and to the new package for the consolidated financial statements.

Tangible fixed assets (Attachment 2)

These are analysed as follows:

Other tangible fixed assets: 2,727,536 Euro (2000: 1,876,342 Euro)

The additions for the year relate to:

Euro

Personal computers	631,648
Fax machines, modems, data transmission equipment and cellular phones	535,517
Sundry equipment	274,633
Office furniture	56,233
Fittings	202,463
Motor vehicles	11,745

The following ordinary depreciation rates were applied:

Other plant and machinery - general and specific	15%
Various equipment	15%
Personal computers, terminals, printers and office machinery	20%
Data transmission equipment and cellular phones	25%
Furniture	12%
Fittings	15%
Motor vehicles	25%

Assets under formation/payments on account: 1,275 Euro (2000: 0 Euro)

The increase relates to the new personnel management system not yet completed.

Financial assets

Investments (Attachment 3)

Controlled companies: 456,897,676 Euro (2000: 286,174,861 Euro)

Changes which took place in 2001 are summarised as follows:

- Subscription of 100% of the share capital in the company Mediolanum International Life Limited for 15,130,548 Euro.
- Increase in the share capital of the company Mediolanum International S.A for 70,858,000 Euro.
- Increase in the share capital of the company Banca Mediolanum S.p.A. for 84,734,267 Euro.

Associated companies: 25,811,586 Euro (2000: 15,608,860 Euro)

This item increased following the payment of 15,332,314 Euro to increase the share capital of the company Banca Esperia S.p.A. (formerly Duemme S.p.A.).

This item decreased following the sale of the companies Vicenza Life Ltd and Vicenza Funds Ltd at a gain of 11,518,577 Euro.

A list is provided herein specifying the information required pursuant to Article 2427 of the Italian Civil Code, point 5 (Attachment 4) for each of the companies directly or indirectly controlled and associated.

Other companies: 157,367,721 Euro **(2000: 128,550,625 Euro)**

These are analysed as follows:

- Acquisition of 36,209,600 shares in Consortium S.r.l., equal to 3.4% of the share capital, for 28,794,764 Euro.
- Acquisition of 1 quota in Tredicimarzo S.r.l., equal to 10% of the share capital, for 1,000 Euro.
- Increase of 21,332 Euro, of which 20,800 Euro for the acquisition of an additional 4% interest in Consorzio Aeromobili Fininvest.

Amount paid into fund for investments: 14,000,000 Euro **(2000: 0 Euro)**

The increase is due to the payment made by the company Tredicimarzo S.r.l. in May, at the time of the acquisition.

Accounts receivable

Due from controlled companies: 2,102,658 Euro **(2000: 707,133 Euro)**

These relate to the credit lines given to Mediolanum Comunicazione S.r.l. and PI Distribuzione S.r.l.. The increase is due to a new 1,291,142 Euro credit line given to the company Mediolanum Comunicazioni S.r.l., and for 103,291 Euro for the integration of the credit line given to the company PI Distribuzione S.r.l. Interest was applied using the Official Discount Rate.

The capitalisation of interest on the guarantee deposits accrued during the period vis-à-vis Mediolanum Vita S.p.A. increased by 1,092 Euro.

Due from other companies: 540,733 Euro **(2000: 598,581 Euro)**

These are analysed as follows:

<i>Euro</i>	31.12.01	31.12.00
Due from intermediaries	397,043	397,043
Guarantee deposits	78,826	76,347
Tax paid in advance on employee termination indemnity	64,864	125,191

The tax paid in advance on employee termination indemnity was partially recovered during the period on contributions paid on a monthly basis. The revaluation was 1,046 Euro.

The above mentioned receivables, except the tax paid in advance on employee termination indemnity, are due after the following year.

CURRENT ASSETS

Accounts receivable

Receivables include:

Due from customers: 162,124 Euro (2000: 292,209 Euro)

The decrease relates to the payment of part of the amount due. Residual receivables are shown net of a provision for credit depreciation of 15,983 Euro.

Due from controlled companies: 52,016,405 Euro (2000: 17,315,899 Euro)

Analysed as follows:

<i>Euro</i>	31.12.01	31.12.00
Mediolanum Vita S.p.A.	49,375,800	16,374,132
Partner Time S.p.A.	37,195	146,660
Banca Mediolanum S.p.A.	2,454,901	570,268
Mediolanum Gestione Fondi SGR.p.A.	52,787	43,035
Mediolanum Comunicazione S.r.l.	36,380	98,011
PI Distribuzione S.r.l.	50,154	13,577
Mediolanum State Street SGR.p.A.	9,188	2,067
Banco de Finanzas e Inversiones S.A.	0	68,149

Receivables from Mediolanum Vita S.p.A. relate to insurance agent activities and amounted to 49,102,552 Euro, receivables from other companies mainly relate to the recharge of cost of management staff. The increase over the previous year is due to the time difference in the settlement thereof.

Due from associated companies: 33,835 Euro (2000: 163,310 Euro)

These are all receivables from Banca Esperia S.p.A. relating to the recharge of the cost of management staff.

Due from Fininvest Group and**Doris Group companies: 2,158,433 Euro****(2000: 1,453,539 Euro)**

Analysed as follows:

Fininvest Group and Doris Group companies

<i>Euro</i>	31.12.01	31.12.00
Mediolanum Assicurazioni S.p.A.	2,158,391	1,382,181

Fininvest Group companies

<i>Euro</i>	31.12.01	31.12.00
Pagine Italia S.p.A.	42	6,345
Edilnord Gestioni	0	65,013

Receivables from Mediolanum Assicurazioni S.p.A. relate to the insurance agent activities and to the recharge of the cost of management personnel.

Due from others: 17,778,537 Euro**(2000: 17,039,409 Euro)**

Analysed as follows:

<i>Euro</i>	31.12.01	31.12.00
Due from tax authorities	17,393,712	16,687,046
Advances to employees	27,563	21,690
Advances to suppliers and consultants	142,296	45,256
Others	214,966	285,417

The amount “due from tax authorities” mainly increased due to interest being entered into the remaining accounts receivable of 368,677 Euro and for 123,564 Euro relating to the interim collection, on an instalment basis, of one third of the estimated higher tax (ILOR) ascertained for the year 1992.

None of the receivables line items in current assets include accounts receivables due after the following year, with the exception of the receivables for pre-paid taxes, which will be repaid in the year they apply to according to the timing differences which generated them.

Current financial assets**Other investments: 589 Euro****(2000: 589 Euro)****Own shares held: 7,597,873 Euro****(2000: 4,094,299 Euro)**

These are held to ensure stability on the stock market in accordance with the resolutions made during the shareholders' meeting of May 4, 2001.

Buy and sell operations during the year generated a gain of 719,878 Euro and a loss of 22,876 Euro. The average share price in December, lower than the average carrying price, showed a loss of 28,815 Euro, and is posted in the income statement.

Liquid assets

Bank deposits: 4,857,160 Euro (2000: 2,612,202 Euro)

These relate to year-end bank account balances including accrued interest. The liquid funds deposited with the controlled company Mediolanum S.p.A. amount to 2,178,768 Euro.

PRE-PAYMENTS
AND ACCRUED INCOME

Accrued income: 6,881 Euro (2000: 6,881 Euro)

Pre-payments: 115,992 Euro (2000: 92,996 Euro)

These consist of insurance costs totalling 45,155 Euro, services and maintenance for 70,838 Euro relating to 2002.

COMMENTS ON LINE
ITEMS IN SHAREHOLDERS'
EQUITY AND LIABILITIES

The changes for the year in the line items that make up capital and reserves are shown in Attachment 5.

CAPITAL AND RESERVES

The following comments relate to the main line items and their respective variations:

Share capital

During the year, *Share capital* was converted into Euro in accordance with the Shareholders' Meeting's resolution made on April 12, 2001, (from 144,994,100,000 Lire to 72,497,050 Euro), relating to 724,970,500 shares with a nominal value of 0.10 each. Moreover, in accordance with the resolution made by the Board of Directors on May 8, 2001, *Share capital* was increased by 5,000 Euro, relating to the Employees savings related stock option plan, through the issue of 50,000 ordinary shares with a nominal value of 0.10 Euro each. After this operation, the *Share capital* is wholly paid-up and amounts to 72,502,050 Euro consisting of 725,020,500 ordinary shares with a nominal value of 0.10 Euro each.

Share premium reserve

The increase relates to the underwriting of new shares issued for the participants in the employee savings related stock option plan, referred to in the previous item.

Legal reserve

The *Legal reserve* increased following the allocation of 5% of 2001 profits and the conversion of Share capital into Euro for 2,386,153.

Reserve for Company's own shares

This was created out of the "extraordinary reserve" pursuant to Article 2357 III of the Italian Civil Code.

Other reserves

The changes in this line item reflect the creation of the "Reserve for Company's own shares", as well as the increase following the allocation of 2000 profits, as per the Shareholders' Meeting's resolution made April 12, 2001.

Profit for the period: 97,714,102 Euro **(2000: 70,974,151 Euro)**

This includes the current year profit.

The composition of and changes in these provisions are as follows:

<i>Euro</i>	31.12.00	Increases	Utilisation	31.12.01
Employee's holiday pay accrual	1,243,178	331,726	(295,937)	1,278,967
Staff loyalty provision	19,553	0	(962)	18,591
Provision for future risks	263,643	0	0	263,643
Provision for transactions in options	14,620	0	0	14,620
Provision against agents' illegal acts	125,428	0	0	125,428
TOTAL	1,666,422	331,726	(296,899)	1,701,249

PROVISIONS FOR RISKS
AND CHARGES

The "Employee's holiday pay accrual" relates to the amount accrued by employees as at December, 31.

EMPLOYEE TERMINATION
INDEMNITY

Changes in employee termination indemnity during the period were as follows:

<i>Euro</i>	Managers	Employees
Balance at 31.12.00	1,626,267	1,224,301
Increase in incoming employees	0	32,377
Promotions to managerial level	58,999	(58,999)
Provision for the period	431,463	472,662
Transfers to other companies	(0)	(16,717)
Decrease due to staff attrition	(332,915)	(130,211)
Advances made during the year	(46,183)	(54,977)
Decrease from employee termination indemnity substitute tax	(3,761)	(2,621)
Balance at 31.12.01	1,733,870	1,465,815

ACCOUNTS PAYABLE

Bank debt: 175,021,555 Euro (2000: 172,939,232 Euro)

This relates to credit lines received as at December 31, 2001.

Due to other financiers: 102,000,000 Euro (2000: 0 Euro)

These relate to the credit line, falling due March 2003, given by Mediobanca S.p.A., and utilised for the new investments of fixed assets.

Due to trade accounts: 3,711,896 Euro (2000: 3,705,422 Euro)

This relates to supplies and services received (3,201,746 Euro), professional services (132,541 Euro), fees (309,469 Euro) and agents (68,140 Euro).

Due to controlled companies: 178,361,609 Euro (2000: 43,682,460 Euro)

Analysed as follows:

<i>Euro</i>	31.12.01	31.12.00
Banca Mediolanum S.p.A.	62,332,878	20,400,092
Partner Time S.p.A.	4,369	0
Mediolanum Comunicazione S.r.l.	82,373	147,260
Mediolanum Gestione Fondi SGR.p.A.	27,277	35,419
Mediolanum Vita S.p.A.	115,914,712	23,099,689

The amount due to Banca Mediolanum S.p.A. mainly relates to commissions for the commercialisation of insurance products. The increase over the previous year reflects the increase in the corresponding item for commissions receivable.

The amount due to Mediolanum Comunicazione S.r.l. relates to services received.

The amount due to Mediolanum Gestione Fondi SGR.p.A. relates to the costs of borrowed staff.

The amount due to Mediolanum Vita S.p.A. relates almost entirely to a loan granted during the year by the controlled company and is subject to a three-month Euribor rate plus 30 basis points and expires on July 1, 2003.

Due to Fininvest Group and

Doris Group companies: 491,848 Euro (2000: 437,733 Euro)

Analysed as follows:

Fininvest Group and Doris Group companies		
<i>Euro</i>	31.12.01	31.12.00
Mediolanum Assicurazioni S.p.A.	20,103	36,574
Fininvest Group companies		
<i>Euro</i>	31.12.01	31.12.00
Edilnord Gestioni S.p.A.	123,127	84,706
Edilnord 2000	17,344	59,943
Consorzio Aeromobili Fininvest	150,884	45,776
R.T.I. S.p.A.	16,733	16,733
Alba Servizi Autotrasporti S.p.A.	68,685	118,860
Mediaset S.p.A.	6,445	6,445
Mondadori Pubblicità S.p.A.	43,346	14,973
Arnoldo Mondadori Editore S.p.A.	2,582	1,608
Servizi Milan S.r.l.	651	1,085
E.I.S. S.r.l.	38,723	50,878
Edilnord S.p.A.	3,071	0

These relate to services received in relation to the activities carried out by these companies.

Due to shareholders: 4,851 Euro (2000: 4,930 Euro)

This amount is owed to Fininvest S.p.A. for services received.

Due to tax authorities: 1,639,330 Euro (2000: 2,124,387 Euro)

These relate to employee income taxes, withholding tax on commissions and VAT regularly paid in January 2002.

Due to social security institutions: 900,026 Euro (2000: 794,050 Euro)

This represents the accrued amounts due and paid at expiration to Inps, Inail, Fasi, Fpdac and Fasdac.

Other accounts payable: 202,147 Euro (2000: 152,522 Euro)

These relate to:

Amounts due to employees totalled 54,835 Euro and relate to overtime

payments and expense claims for December - 23,552 Euro due to shareholders for dividends not yet paid, 123,760 Euro for "other amounts".

There are no amounts payable due after the following year.

ACCRUALS AND DEFERRED
INCOME

Accrued expenses: 559,237 Euro (2000: 603,431 Euro)

This consists of the accrual of the employees' 14th month salary for 518,550 Euro and interest of 40,687 Euro payable to banks.

OFF-BALANCE SHEET
ITEMS

These are made up as follows:

Guarantees given

A guarantee of 516,457 Euro was given by Banca Mediolanum S.p.A. in favour of Origin Italia S.r.l. with respect to instalment payments of the rental of hardware products and services provided to financial consultants.

A guarantee of per 1,807,599 Euro was given by Mediolanum Comunicazione S.r.l. in favour of Yond S.p.A. (formerly Atena Servizi S.p.A.) with respect to the fulfilment in due time of the contractual commitments it has undertaken.

Counter-guarantees were given to Fininvest S.p.A. (63,583 Euro), with respect to guarantees given by those companies for supplies to the company.

531,435 Euro went to the District Office for Direct Taxation for amounts registered on behalf of the company Programma Italia S.p.A., taken over by Mediolanum S.p.A..

Other off-balance sheet items

These relate to:

Securities and assets in the hands of third parties totalling 7,395,616 Euro; these represent the face value of shares that form part of current assets for 77,107 Euro, Mediobanca shares for 6,418,500 Euro and SIA shares for 900,009 Euro.

COMMENTS ON THE MAIN
LINE ITEMS IN THE INCOME
STATEMENT

VALUE OF PRODUCTION

Revenues from sales and services: 214,471,863 Euro (2000: 195,207,388 Euro)

These relate to commissions and rappels for the sale of insurance products, of which 208,910,924 Euro came from the controlled company Mediolanum Vita S.p.A. and 4,510,649 Euro came from Mediolanum Assicurazioni S.p.A.. The increase was due exclusively to the sale of unit-linked and Tracker Bond Life products.

Other revenues: 5,428,672 Euro (2000: 3,728,126 Euro)

These mainly include the recovery of costs incurred for personnel at controlled and associated companies (4,066,363 Euro) and Fininvest Group and Doris Group companies (486,946 Euro).

Raw, ancillary and consumable materials: 318,118 Euro (2000: 355,249 Euro)

These relate to the purchase of various consumables, books, magazines and newspapers, stationery and printed materials.

COST OF PRODUCTION

Services received: 194,669,973 Euro (2000: 159,976,444 Euro)

These include:

<i>Euro</i>	31.12.01	31.12.00
Commissions	180,858,663	148,614,729
Advertising, public relations and entertainment expenses	821,456	734,048
Consultancy and professional services	4,756,144	3,586,425
Emoluments to Directors and Statutory Auditors	1,180,104	992,888
Insurance costs	210,627	192,439
Travel and subsistence expense	530,830	540,448
Other services	6,203,003	5,169,329
Other costs	109,146	146,138

“Commissions” are paid in total to the controlled company Banca Mediolanum S.p.A. as payment for brokerage activities as agreed by contract. The increase was in direct proportion to the increase in the corresponding revenue item.

“Advertising, public relations and entertainment expense” increased by 87,408 Euro; Fininvest Group companies charged 159,789 Euro.

“Consultancy and professional services” includes legal assistance, technical and administrative consultation, the costs for auditing the financial statements, and for professional services. There was an increase of 1,169,719 Euro over last year.

“Other services” include EDP services, administrative services, staff training, the canteen service, security services, maintenance, printing and other general services. This item includes services received from controlled companies (673,722 Euro) and Fininvest Group and Doris Group companies (558,055 Euro).

Leases and rentals: 4,003,968 Euro (2000: 2,493,859 Euro)

This line item relates to rental costs, lease instalments and rentals. The increase mainly relates to the rental line item. Services received from controlled companies total 196,850 Euro, while those from Fininvest Group companies total 2,107,312 Euro.

Personnel costs: 18,503,126 Euro (2000: 15,564,126 Euro)

These increased due to new personnel hired.

Sundry operating costs: 1,022,806 Euro (2000: 855,220 Euro)

This item mainly includes a services fee of 544,846 Euro to Borsa Italiana S.p.A., the contribution to the Consob supervisory committee, taxes and Government licenses, stamp duties and registration taxes, local taxes, and Chamber of Commerce fees and donations.

INVESTMENT INCOME
AND CHARGES

Income from investments

In controlled companies: 114,305,709 Euro (2000: 76,771,071 Euro)

These are dividends cashed in by controlled companies for 96,059,784 Euro, by associated companies for 951,582 Euro and by third parties for 2,163,193 Euro.

This line item includes tax credit on dividends totalling 15,131,150 Euro.

For the purposes of comparison with the previous year, the tax credit at December 31, 2000 of 15,411,215 Euro was reclassified from line item income taxes for the period.

Gain on disposal of non-investment securities

included in current assets: 719,878 Euro (2000: 2,698,218 Euro)

These relate to the gains from the sales of own shares during the year.

Other investment income

From receivables from controlled companies

included in fixed assets: 43,279 Euro (2000: 29,218 Euro)

These mainly relate to interest for the year on the loans granted to controlled companies for 42,188 Euro.

From securities included in current assets: 0 Euro (2000: 608,319 Euro)

Other financial income: 1,237,316 Euro (2000: 1,490,900 Euro)

This includes:

<i>Euro</i>	31.12.01	31.12.00
Bank account interest	865,626	840,300
Interest on amount due from tax authorities	368,678	418,391
Other interest	3,012	232,209

“Bank account interest” includes 800,739 Euro from the controlled company Banca Mediolanum S.p.A., mainly in relation to hot money transactions.

Interest and other investment charges: 12,408,221 Euro (2000: 4,230,403 Euro)

This item primarily includes interest accrued of 8,136,093 Euro on bank loans and a credit line of 3,778,520 Euro given by the controlled company Mediolanum Vita S.p.A. and by third parties for 461,605 Euro.

Write-downs

ADJUSTMENTS TO THE VALUE
OF FINANCIAL INVESTMENTS

Of non-investment financial assets: 37,701 Euro (2000: 0 Euro)

This item relates to due from intermediaries for illegal acts performed during the year.

Of non-investment securities included in current assets: 28,815 Euro (2000: 0 Euro)

This item relates to capital losses resulting from the transfer of own shares held during the year.

Income

EXTRAORDINARY INCOME
AND CHARGES

Gain on disposals: 11,556,271 Euro (2000: 6,979 Euro)

These include mainly the gains on the disposal of the companies Vicenza Life Ltd and Vicenza Funds Ltd for 11,518,577 Euro.

Out-of-period revenues: 82,920 Euro (2000: 719,981 Euro)

These revenues mainly came from minor appropriated funds.

Out-of-period expenses: 304,656 Euro (2000: 348,586 Euro)

These expenses relate exclusively to minor appropriated funds taken.

Income taxes: 17,232,504 Euro (2000: 24,373,611 Euro)

This line item consists of 17,247,209 Euro for current taxes (of which 698,556 Euro were for IRAP), and 44,556 Euro for pre-paid taxes. Prepaid taxes pertaining to previous years of 29,851 Euro were also allocated to the period under review. Dividends that contribute to revenues totalled 44,645,389 Euro. Moreover, in order to provide information in compliance with statutory accounting and fiscal requirements, the theoretical tax liabilities were reconciled with those accounted for (Attachment 6).

As required by law (Article 10 of Law no. 72/83), we point out that none of the assets were subject to any monetary or economic revaluation.

The Cash Flow Statement is also provided (Attachment 8).

The average number of employees by category is as follows:

	2001	2000
Managers	47	40
Non-management employees	193	175

The Board of Directors has 12 members and there are 3 Statutory Auditors. Their fees totalled 1,180,104 Euro and can be broken down as follows:

Euro

Directors	1,107,800
Statutory Auditors	72,304

For the Board of Directors

The Chairman

Mr. Roberto Ruozi

MEDIOLANUM S.P.A.

*ATTACHMENTS
AND TABLES*



ATTACHMENT 1

ANALYSIS OF CHANGES IN INTANGIBLE ASSETS AT DECEMBER 31, 2001

Euro	Opening situation		
	Historic cost	Accum. Amortisation	Balance at 01.01.01
Intangible assets			
Start-up and expansion costs	4,743,422	4,695,407	48,015
Patents and intellectual property rights	223,347	223,347	0
Concessions, licences, trademarks and similar rights	2,725,168	1,192,621	1,532,547
Other intangible assets	907,886	634,482	273,403
Assets under formation and advances	92,962	0	92,962
TOTAL	8,692,785	6,745,857	1,946,927

ATTACHMENT 2

ANALYSIS OF CHANGES IN TANGIBLE FIXED ASSETS AT DECEMBER 31, 2001

Euro	Opening situation		
	Historic cost	Accum. Amortisation	Balance at 01.01.01
Tangible fixed assets			
Plant and machinery, telephone equipment	20,629	20,629	0
Alarm and security equipment	25,472	25,472	0
Other specific plant and machinery	23,767	23,767	0
General plant/machinery	32,898	32,898	0
Telecasting equipment	2,226	2,226	0
TOTAL PLANT AND MACHINERY	104,992	104,992	0
Personal computers	1,882,999	1,219,752	663,248
Terminals and printers	24,369	24,369	0
Data transmission equipment and cellular phones	343,740	224,492	119,248
Various equipment	412,802	212,522	200,281
Office fittings, furniture and equipment	656,805	498,915	157,890
Furniture	1,151,786	502,256	649,530
Ordinary office machinery	1,417	1,417	0
Electric and electronic office machinery	9,946	9,946	0
Motor vehicles	327,114	240,969	86,145
TOTAL OTHER ASSETS	4,810,980	2,934,638	1,876,342
Assets under formation and advances	0	0	0
TOTAL	4,915,972	3,039,630	1,876,342

Movements in the period				Closing situation		
Additions	Net disposals	Amortisation	Change +/-	Historic cost	Accum. Amortisation	Balance at 31.12.2001
0	0	46,667	0	4,743,422	4,742,074	1,347
0	0	0	0	223,347	223,347	0
423,862	216,530	541,074	92,962	2,971,329	1,679,563	1,291,766
201,408	0	205,610	0	1,109,294	840,093	269,202
112,314	0	0	(92,962)	112,314	0	112,314
737,584	216,530	793,352	0	9,159,706	7,485,077	1,674,629

Movements in the period				Closing situation		
Additions	Net disposals	Amortisation	Change +/-	Historic cost	Accum. Amortisation	Balance at 31.12.2001
0	0	0	0	20,629	20,629	0
0	0	0	0	25,472	25,472	0
0	0	0	0	23,767	23,767	0
0	0	0	0	32,898	32,898	0
0	0	0	0	2,226	2,226	0
0	0	0	0	104,992	104,992	0
631,648	215	296,403	0	2,512,497	1,514,218	998,278
0	0	0	0	24,369	24,369	0
535,517	0	115,925	0	879,257	340,417	538,840
274,633	0	84,563	0	687,436	297,085	390,350
56,233	0	100,316	0	713,038	599,230	113,808
202,463	0	184,188	0	1,354,250	686,444	667,805
0	0	0	0	1,417	1,417	0
0	0	0	0	9,946	9,946	0
11,745	53,750	25,768	0	105,814	87,359	18,454
1,712,239	53,966	807,164	0	6,288,023	3,560,487	2,727,536
1,275	0	0	0	1,275	0	1,275
1,713,514	53,966	807,164	0	6,394,291	3,665,480	2,728,811

ATTACHMENT 3

ANALYSIS OF CHANGES IN INVESTMENTS HELD AT DECEMBER 31, 2001

<i>Euro Company</i>	<i>Share capital</i>	<i>% holding</i>	<i>Shares/ quotas</i>
Controlled companies			
Banca Mediolanum S.p.A.	241,000,000	100	241,000,000
Via F. Sforza P.zzo Meucci Basiglio (MI)			
Mediolanum Vita S.p.A., Via F.Sforza P.zzo Meucci Basiglio (MI)	87,720,000	100	87,720,000
Mediolanum Gestione Fondi SGR p.A. Via F. Sforza P.zzo Meucci Basiglio (MI)	5,164,600	100	10,000
Mediolanum State Street SGR p.A. Via F. Sforza P.zzo Meucci Basiglio (MI)	2,600,000	50	1,300,000
Mediolanum Comunicazione S.r.l. Via F. Sforza n,15 P.zzo Meucci Basiglio (MI)	775,000	100	1
Partner Time S.p.A.	520,000	100	1,000,000
Via F. Sforza P.zzo Meucci Basiglio (MI)			
PI Distribuzione S.r.l. Via F. Sforza P.zzo Meucci Basiglio (MI)	517,000	100	1
Mediolanum Fiduciaria S.p.A. Via F. Sforza P.zzo Meucci Basiglio (MI)	510,000	100	510,000
Mediolanum International S.A. 69 Route D'Esch Luxembourg	71,500,000	99.8	71,357,000
Mediolanum International Life Alexandra house - Sweepstakes Ballsbridge Dublin 4 Ireland	1,394,750	100	1,394,750
Mediolanum Asset Management Ltd Alexandra house - Sweepstakes Ballsbridge Dublin 4 Ireland	150,000	100	150,000
Mediolanum International Funds Ltd Alexandra house - Sweepstakes Ballsbridge Dublin 4 Ireland	150,000	100	150,000
TOTAL CONTROLLED COMPANIES			
Associated companies			
Vicenza Funds Limited Grand Canal House 1 Upper Grand Canal Street Dublin 4 Ireland	126,970	40	50,788
Vicenza Life Limited Grand Canal House 1 Upper Grand Canal Street Dublin 4 Ireland	634,850	40	253,940
Banca Esperia Via Del Lauro 7 Milan	13,000,000	48.5	6,305,000
TOTAL ASSOCIATED COMPANIES			
Other companies			
Consorzio Aeromobili Fininvest Via Paleocapa 3 Milan	520,000	19	19
Europa Invest 14, Rue Aldringen Luxembourg	125,000	14	700
Cedacri Ovest S.p.A. Via Liguria 33 Castellazzo B,da (AL)	7,461,300	10	0
Mediobanca S.p.A. Via Filodrammatici, 10 Milan	389,262,457	2.15	12,837,000
SIA S.p.A. Viale Certosa 218 Milan	18,123,684	4.999	1,742,660
Tredicimarzo S.r.l. Galleria del Corso 2 Milan	10,000	10	1
Consortium S.r.l. Via Filodrammatici 10 Milan	561,600,000	3.4	36,209,600
TOTAL OTHER COMPANIES			
TOTAL			

Nominal values	Book value at 01.01.01	Increase	Decrease/ writedowns	Book value at 31.12.01
241,000,000	156,505,033	84,734,267		241,239,300
87,720,000	116,681,041			116,681,041
5,164,600	5,117,055			5,117,055
1,300,000	1,570,473			1,570,473
775,000	762,002			762,002
520,000	258,168			258,168
517,000	516,457			516,457
510,000	725,605			725,605
71,357,000	499,000	70,858,000		71,357,000
1,394,750	0	15,130,548		15,130,548
150,000	900,000			900,000
150,000	2,640,027			2,640,027
	286,174,861	170,722,815	0	456,897,676
50,788	50,788		50,788	0
253,940	5,078,800		5,078,800	0
6,305,000	10,479,272	15,332,314		25,811,586
	15,608,860	15,332,314	5,129,588	25,811,586
98,800	77,469	21,332		98,801
17,500	13,839			13,839
746,130	1,006,384			1,006,384
6,418,500	115,045,194			115,045,194
906,183	12,407,739			12,407,739
1,000	0	1,000		1,000
18,828,992	0	28,794,764		28,794,764
	128,550,625	28,817,096	0	157,367,721
	430,334,346	214,872,225	5,129,588	640,076,983

ATTACHMENT 4

LIST OF INVESTMENTS IN COMPANIES DIRECTLY AND INDIRECTLY CONTROLLED AND ASSOCIATED COMPANIES

Euro	Shareholder's equity		
	Share capital	Total amount	Pro-quota amount
Company name and head office			
Controlled companies			
Banca Mediolanum S.p.A. Via F. Sforza P.zzo Meucci Basiglio (MI)	241,000,000	262,156,317	262,156,317
Mediolanum Vita S.p.A. Via F. Sforza P.zzo Meucci Basiglio (MI)	87,720,000	227,932,537	227,932,537
Mediolanum Gestione Fondi SGR p.A. Via F. Sforza P.zzo Meucci Basiglio (MI)	5,164,600	23,992,432	23,992,432
Mediolanum State Street SGR p.A. Via F. Sforza P.zzo Meucci Basiglio (MI)	2,600,000	3,270,897	1,635,449
Mediolanum Comunicazione S.r.l. Via F. Sforza n.15 P.zzo Meucci Basiglio (MI)	775,000	973,869	973,869
Partner Time S.p.A. Via F. Sforza P.zzo Meucci Basiglio (MI)	520,000	7,729,966	7,729,966
PI Distribuzione S.r.l. Via F. Sforza P.zzo Meucci Basiglio (MI)	517,000	402,309	402,309
Mediolanum Fiduciaria S.p.A. Via F. Sforza P.zzo Meucci Basiglio (MI)	510,000	539,949	539,949
Mediolanum International S.A. 69 Route D'Esche Luxembourg	71,500,000	71,461,624	71,461,624
Mediolanum International Life Ltd Alexandra house - Sweepstakes Ballsbridge Dublin 4 Ireland	1,394,750	14,466,370	14,466,370
Mediolanum Asset Management Ltd Alexandra house - Sweepstakes Ballsbridge Dublin 4 Ireland	150,000	1,271,768	1,271,768
Mediolanum International Funds Ltd Alexandra house - Sweepstakes Ballsbridge Dublin 4 Ireland	150,000	79,349,663	79,349,663

Profit (loss) for the year

Total amount	Pro-quota amount	% holding	Carrying value
6,506,036	6,506,036	100	241,239,300
10,381,742	10,381,742	100	116,681,041
12,783,110	12,783,110	100	5,117,055
443,533	221,767	50	1,570,473
101,780	101,780	100	762,002
7,066,463	7,066,463	100	258,168
(186,543)	(186,543)	100	516,457
(14,927)	(14,927)	100	725,605
(39,891)	(39,891)	99.8	71,357,000
(396,365)	(396,365)	100	15,130,548
371,768	371,768	100	900,000
76,784,667	76,784,667	100	2,640,026

ATTACHMENT 4 (CONTINUED)

LIST OF INVESTMENTS IN COMPANIES DIRECTLY AND INDIRECTLY CONTROLLED AND ASSOCIATED COMPANIES

Euro Company name and head office	Shareholder's equity		
	Share capital	Total amount	Pro-quota amount
Indirectly controlled companies			
Gamax Holding AG 47 Boulevard Royal L-2449 Luxembourg	5,618,000	17,212,683	17,212,683
Gamax Broker Pool AG Heinrich-von-Stephan-Strafse 6/a 51373 Leverkusen	100,000	(771,207)	(771,207)
Gamax Austria GmbH Rainerstrabe 7 A-5020 Salzburg Austria	40,000	22,100	22,100
Gamax Schweiz GmbH Letzigraben 89 CH-8040 Zürich	CHF 20,000	(25,858)	(25,858)
Gamax Management AG 47 Boulevard Royal L-2449 Luxembourg	125,000	3,139,302	3,139,302
Gamax Fund of Funds Management AG 47 Boulevard Royal L-2449 Luxembourg	125,000	3,336	3,336
Tanami S.A. Capitan Arenas n.1 Barcelona	180,604	910,388	910,388
Fibanc Inversiones S. A. Avda Diagonal 668/670 Barcelona	6,851,538	11,911,753	8,328,698
Andino AVB S.A. Nunez de Balboa 88 Madrid	901,518	4,419,317	3,169,976
Banco de Finanzas e Inversiones S.A. Avda Diagonal 668/670 Barcelona	12,130,159	40,982,015	29,396,399
Fibanc Argentina S.A. Calle Cerrito 1136 piso12° Buenos Aires Argentina	USD 50,000	56,702	38,234
Fibanc Faif S.A. Avda Diagonal 668/670 Barcelona	60,101	60,213	43,191
Fibanc Pensiones S.G.F.P., S.A. Avda Diagonal 668/670 Barcelona	901,518	1,267,237	908,989
Fibanc S.A. Avda Diagonal 668/670 Barcelona	300,506	621,318	445,671
Ges Fibanc S.G.I.I.C., S.A. Calle Enteza 325/335 Barcelona	2,506,220	3,127,653	2,243,465
Valora S.A. Calle de La Crue Grossa 4 Andorra La Vella	420,708	342,299	245,531
Associated companies			
Banca Esperia S.p.A. Via Del Lauro 7 Milan	13,000,000	44,743,771	21,700,729

Profit (loss) for the year

Total amount	Pro-quota amount	% holding	Carrying value
10,702,544	10,702,544	100.00	0
(701,110)	(701,110)	100.00	0
(221,275)	(221,275)	100.00	0
(11,975)	(11,975)	100.00	0
2,413,248	2,413,248	100.00	0
(42,227)	(42,227)	100.00	0
(2,377)	(2,377)	100.00	0
(633,454)	(442,911)	69.92	0
917,088	657,827	71.73	0
285,307	204,651	71.73	0
0	0	67.43	0
(6,241)	(4,477)	71.73	0
16,227	11,640	71.73	0
61,600	44,186	71.73	0
15,401	11,047	71.73	0
(175,712)	(126,038)	71.73	0
(5,959,477)	(2,890,346)	48.50	25,811,586

ATTACHMENT 5

ANALYSIS OF CHANGES IN SHAREHOLDERS' EQUITY AT DECEMBER 31, 2001

<i>Euro</i>	Share capital	Legal reserve	Share premium reserve
Balance at 01.01.01	74,883,203	14,083,944	45,609,053
Allocation of 2000 profit and reserves as decided at the Shareholders' meeting of 12.04.01:			
- legal reserve		892,696	
- dividends paid			
- extraordinary reserve			
- conversion of share capital in Euro	(2,386,153)	2,386,153	
Increase of share capital paid-up	5,000		10,000
Creation of reserve for Company's own shares per Art. 2357 III of the Italian Civil Code			
Profit (loss) for the period			
Balance at 31.12.01	72,502,050	17,362,793	45,619,053

The legal reserve and the reserve for own shares are made up of profit
The extraordinary reserve is made up of a profit of 39,666,345 Euro and profit under deferred taxes of 272,689 Euro,
Taxes under Art, 105 clause 1a of the Budget amount to 24,608,656 Euro,
Taxes under Art,105 clause 1b of the Budget amount to 4,611,037 Euro,
Following the distribution of the profit for the year, recipients will be given a tax credit in accord with Art, 105 clause 1a
Note that taxes under Art,105 clause 1a and b do not include the tax balance, which will be determined
when compiling the income tax return

Extraordinary reserve	Reserve for own shares	Profit for the period	Total
39,939,034	4,094,299	70,974,151	249,583,684
		(892,696)	0
		(69,244,033)	(69,244,033)
837,422		(837,422)	0
			15,000
(3,503,574)	3,503,574		0
		97,714,102	97,714,102
37,272,882	7,597,873	97,714,102	278,068,753

ATTACHMENT 6

Euro

RECONCILIATION BETWEEN THEORETICAL TAX LIABILITIES AND THOSE ACCOUNTED FOR (IRPEG)

Profit before taxes including tax credit	45,286,286	
Theoretical fiscal liabilities (rate 36%)		16,303,063
Temporary differences taxable in subsequent years:		
TOTAL	0	
Temporary differences deductible in subsequent years:		
Unpaid fees due to Directors	0	
Write-downs and provisions	37,701	
Entertainment expenses for 2001	78,439	
TOTAL	116,140	
Temporary differences from previous years:		
Directors' fees for 2000	(111,038)	
Extraordinary profit for pre-paid taxes	0	
Other	(75,894)	
TOTAL	(186,932)	
Differences not to be carried forward in subsequent years:		
Charity donations	4,648	
Non-deductible amortisation/depreciation	3,432	
Costs and other liabilities concerning other years	302,551	
Entertainment expenses for 2001	196,102	
Other	246,250	
TOTAL	752,983	
Taxable income	45,968,477	
Current taxes on profit for the year		16,548,652

DETERMINATION OF IRAP TAXABLE INCOME

Difference between value and cost of production	13,326,621	
Costs not relevant for IRAP purposes	3,031,564	
TOTAL	16,358,185	
Theoretical tax liabilities (rate 4.25%)	695,223	
Temporary differences taxable in subsequent years:		
Entertainment expenses for 2001	78,438	
Irapp taxable income	16,436,623	
Irapp for the current year		698,556

Euro 31.12.01

ATTACHMENT 7

CASH FLOW STATEMENT AT DECEMBER 31, 2001

A) Opening cash		2,622,381
Share capital increase		5,000
Increase in share premium reserve		10,000
TOTAL		2,637,381
B) Cash flow from operating activities		
Profit (loss) for the period		97,714,102
Net change in provision for deferred taxes		0
Amortisation and depreciation		1,600,515
(Gains) losses on the disposal of fixed assets		(36,291)
Net change in employee termination indemnity		349,117
Profit (loss) from ordinary activities before changes in working capital		99,627,443
(Increase) decrease in current receivables		(35,884,968)
(Increase) decrease in inventory		0
Increase (decrease) in trade and other payables		238,483,159
(Increase) decrease in other working capital balances		(3,526,570)
TOTAL		199,071,621
C) Cash flow from investing activities		
Fixed assets investments		
intangible		(737,584)
tangible		(1,713,514)
financial		(225,080,314)
Amount realised from fixed asset disposal		306,704
TOTAL		(227,224,708)
D) Cash flow from financing activities		
Distribution of profits		(69,244,033)
TOTAL		(69,244,033)
E) Cash flow for the period	(B+C+D)	2,230,323
F) Closing cash and cash equivalents	(A+E)	4,867,704

TABLE 1
DIRECTORS', AUDITORS',
GENERAL MANAGERS FEES
(FOR 2001)

Euro		Description of the position	
Person			
Name	Position (1)	Duration of the position	
PREDA STEFANO	Chairman of the Board of Directors Mediolanum S.p.A.	from 1.01.2001 to 12.04.2001	
RUOZI ROBERTO	Chairman of the Board of Directors Mediolanum S.p.A.	from 12.04.2001 to 31.12.2001	
MESSINA ALFREDO	Deputy Chairman Mediolanum S.p.A.	from 1.01.2001 to 31.12.2001	
	Other positions held in controlled companies	from 1.01.2001 to 31.12.2001	
LOMBARDI EDOARDO	Executive Vice President Mediolanum S.p.A.	from 1.01.2001 to 31.12.2001	
	Other positions held in controlled companies	from 1.01.2001 to 31.12.2001	
DORIS ENNIO	Chief Executive Officer Mediolanum S.p.A.	from 1.01.2001 to 31.12.2001	
	Other positions held in controlled companies	from 1.01.2001 to 31.12.2001	
BERLUSCONI MARINA ELVIRA	Director Mediolanum S.p.A.	from 1.01.2001 to 31.12.2001	
DORIS MASSIMO ANTONIO	Director Mediolanum S.p.A.	from 1.01.2001 to 31.12.2001	
GRIMALDI ALESSANDRO	Director Mediolanum S.p.A.	from 1.01.2001 to 31.12.2001	
	Other positions held in controlled companies	from 1.01.2001 to 31.12.2001	
MOLTENI MARIO	Director Mediolanum S.p.A.	from 12.04.2001 to 31.12.2001	
RENOLDI ANGELO	Director Mediolanum S.p.A.	from 12.04.2001 to 31.12.2001	
SCIUME' PAOLO	Director Mediolanum S.p.A.	from 1.01.2001 to 31.12.2001	
SPOSITO CLAUDIO	Director Mediolanum S.p.A.	from 1.01.2001 to 31.12.2001	
ZUNINO ANTONIO	Director Mediolanum S.p.A.	from 1.01.2001 to 31.12.2001	
	Other positions held in controlled companies	from 1.01.2001 to 31.12.2001	
MAURI ARNALDO	Chairman of the Board of Statutory Auditors Mediolanum S.p.A.	from 1.01.2001 to 31.12.2001	
	Other positions held in subsidiaries	from 1.01.2001 to 31.12.2001	
FRATTINI ACHILLE	Statutory Auditor Mediolanum S.p.A.	from 1.01.2001 to 31.12.2001	
	Other positions held in subsidiaries	from 1.01.2001 to 31.12.2001	
GIAMPAOLO FRANCESCO ANTONIO	Statutory Auditor Mediolanum S.p.A.	from 1.01.2001 to 31.12.2001	
	Other positions held in controlled companies	from 1.01.2001 to 31.12.2001	

(1) Specify the position held in the executive board, if any.

(2) Estimated value.

(3) Specify the reason for the payment: (a) employees; (b) professional service provided by a subsidiary; (c) professional service.

Fees

Position fees	Fringe benefits (2)	Bonuses and other incentives (2)	Other fees (3)
23,240.57			
69,721.69			
154,937.07			
16,526.63			
265,975.31			(a) 45,264.79
384,605.46			(b) 57,636.58
516,456.90			
194,988.31			
10,329.14			
10,329.14			(a) 51,893.58
=			(c) 13,051.87
10,329.14			
3,873.43			
7,746.86			
7,746.86			
10,329.14			(c) 63,214.32
10,329.14			
10,329.14			
197,544.77			
30,987.42			
30,987.42			
20,658.28			
23,627.91			
20,658.28			
28,715.01			

TABLE 2**STOCK OPTIONS GIVEN
TO DIRECTORS
AND GENERAL MANAGERS**

Person	Stock rights	
	Bonus shares	
Name	Number of shares to be allotted	Allotment date
LOMBARDI EDOARDO	=	=
MESSINA ALFREDO	=	=

or options given in the year			Allotment of shares or exercise of the options in the year		
Underwriting or call options			Bonus shares	Underwriting or call options	
Number of shares that can be purchased or underwritten	Share price when exercising the option	Exercise date	Number of allotted shares	Number of purchased or underwritten shares	Exercise price
60,000	13.357	from 1.06.2004 to 5.12.2004			
20,000	13.357	from 1.06.2004 to 5.12.2004			

**TABLE OF SHAREHOLDINGS
AS PER ART. 120,
CLAUSE 3 OF LEGISLATIVE
DECREE NO. 58/1998**

Company Name	Country	Total % Holding
Andino AVB, S.A.	Spain	100.00
Banca Esperia S.p.A.	Italy	48.50
Banca Mediolanum S.p.A.	Italy	100.00
Banco De Finanzas e Inversiones, S.A.	Spain	100.00
Bankaus August Lenz & Co.	Germany	100.00
Europa Invest, S.A.	Luxembourg	14.00
Fibanc Argentina, S.A.	Argentina	94.00
Fibanc Faif, S.A.	Spain	100.00
Fibanc Inversiones, S.A.	Spain	69.92
Fibanc Pensiones, S.A., S.G.F.P.	Spain	100.00
Fibanc, S.A.	Spain	100.00
Gamax Austria GmbH	Austria	100.00
Gamax Broker Pool AG	Germany	100.00
Gamax Fund of Funds Management AG	Luxembourg	100.00
Gamax Holding AG	Luxembourg	100.00
Gamax Management AG	Luxembourg	100.00
Gamax Schweiz GmbH	Switzerland	100.00
Ges.Fibanc, S.G.I.I.C., S.A.	Spain	100.00
Mediolanum Asset Management Ltd	Ireland	100.00
Mediolanum Comunicazione S.r.l.	Italy	100.00
Mediolanum Fiduciaria S.p.A.	Italy	100.00
Mediolanum Gestione Fondi SGR.p.A.	Italy	100.00
Mediolanum International Funds Ltd	Ireland	100.00
Mediolanum International Life Ltd	Ireland	100.00
Mediolanum International, S.A.	Luxembourg	100.00
Mediolanum Life Limited	Ireland	100.00
Mediolanum Private S.A.M.	Principauté de Monaco	75.00
Mediolanum State Street SGR.p.A.	Italy	50.00
Mediolanum Vita S.p.A.	Italy	100.00
Partner Time S.p.A.	Italy	100.00
PI Distribuzione S.r.l.	Italy	100.00
Tanami, S.A.	Spain	100.00
Valora, S.A.	Andorra la Vella	100.00

Type of control	Holding Company	Interest %
indirect control	Banco De Finanzas e Inversiones, S.A.	100.00
direct control	Mediolanum S.p.A.	48.50
direct control	Mediolanum S.p.A.	100.00
indirect control	Fibanc Inversiones, S.A.	93.98
	Banca Mediolanum S.p.A.	6.02
indirect control	Banca Mediolanum S.p.A.	100.00
direct control	Mediolanum S.p.A.	14.00
indirect control	Banco De Finanzas e Inversiones, S.A.	94.00
indirect control	Banco De Finanzas e Inversiones, S.A.	100.00
indirect control	Banca Mediolanum S.p.A.	66.002
	Tanami, S.A.	3.918
indirect control	Banco De Finanzas e Inversiones, S.A.	100.00
indirect control	Banco De Finanzas e Inversiones, S.A.	100.00
indirect control	Gamax Holding AG	100.00
indirect control	Gamax Holding AG	100.00
indirect control	Gamax Holding AG	100.00
indirect control	Mediolanum International SA	100.00
indirect control	Gamax Holding AG	100.00
indirect control	Gamax Holding AG	100.00
indirect control	Banco De Finanzas e Inversiones, S.A.	100.00
direct control	Mediolanum S.p.A.	100.00
direct control	Mediolanum S.p.A.	100.00
direct control	Mediolanum S.p.A.	100.00
direct control	Mediolanum S.p.A.	100.00
direct control	Mediolanum S.p.A.	100.00
direct control	Mediolanum S.p.A.	100.00
direct control	Mediolanum S.p.A.	99.80
indirect control	Banca Mediolanum S.p.A.	0.20
direct control	Mediolanum S.p.A.	100.00
indirect control	Mediolanum International, S.A.	75.00
direct control	Mediolanum S.p.A.	50.00
direct control	Mediolanum S.p.A.	100.00
direct control	Mediolanum S.p.A.	100.00
direct control	Mediolanum S.p.A.	100.00
indirect control	Banca Mediolanum S.p.A.	100.00
indirect control	Banco De Finanzas e Inversiones, S.A.	100.00

STOCK OPTION PLAN

Year 2001

WITH REFERENCE TO THE
INFORMATION ON THE
EMPLOYEE SAVINGS-RELATED
SHARE AND STOCK OPTION PLAN
ILLUSTRATED IN THE
DIRECTORS' REPORT OF THE
FINANCIAL STATEMENTS
AT DECEMBER 31, 2000
AND DECEMBER 31, 2001

TABLE 1	Number of shares	Average exercise price	Market price
(1) Options existing as at 1/1	***363,000	17.515	12.555
(2) New options assigned during the period	*395,500 **380,000	*13.357 **0.344	13.717
(3) (Options exercised during the period)			
(4) (Options expired during the period)	*** (2,000)	17.515	13.717
(5) Options existing as at 31/12	***361,000 *395,500 **380,000	***17.515 *13.357 **0.344	10.097
(6) Of which: exercisable as at 31/12			

Notes:

(5) = (1)+(2)+(3)+(4)

Market price is the weighted average as at the various dates for items (2), (3) and 4 and as at the date indicated for (1) and (5).

Year 2000

Number of shares	Average exercise price	Market price
560,500	0.273	12.820
378,000	17.515	17.680
(560,500)	0.273	18.240
(15,000)	17.515	19.130
363,000	17.515	13.814

**OPTIONS AT THE END
OF THE PERIOD**

TABLE 2

Options granted as of 31.12.2001

Exercise price:	Residual contractual life:		
	< 1 year	1 - 2 years	> 2 years
17.515		361,000	
13.357			395,500
0.344			300,000
0.344			80,000
Total	0	361,000	775,500

Of which exercised (vested)

Total	Total	Average residual life of contract
6,322,915.00	6,322,915.00	18 months
5,282,693.50	5,285,693.50	36 months
103,200.00	103,200.00	36 months
27,520.00	27,520.00	30 months
11,736,328.50	11,736,328.50	0

Statutory Auditors' report on the financial statements at December 31, 2001

(Article 153, Legislative Decree
no.58/98)

Dear Shareholders,

During the year we carried out the supervisory activity established by the law, taking into account the principles of conduct recommended by the National Councils of Professional Accountants and Bookkeepers. In particular, we:

- took part in the meetings of the Board of Directors, and gathered information from directors on the activities carried out and the major economic, financial and balance sheet operations performed by the company, ensuring that the decisions taken would be compliant with the law and the company by-laws, not imprudent or risky, in any potential conflict of interests, contrasting with the resolutions, or detrimental to the integrity of corporate assets;
- investigated and supervised, as far as required, the adequacy of the company's organisational structures and compliance with the principles of proper administration, through direct observation, the collection of information and by meetings with the auditing company Arthur Andersen S.p.A. for the purposes of exchanging information and data, which did not bring to light any significant aspects;
- we assessed and supervised upon the adequacy of the company's system of internal control and the administrative and accounting system, as well as their reliability for correctly representing the operating data, through the collection of information, the evaluation of corporate documents and the analysis of the results of the work carried out by the auditing company. Moreover, we periodically met the person in charge of the company's system of internal control, with whom we exchanged information on the outcome of the verifications performed at the parent and controlled companies;
- we verified compliance with legislation currently in force regarding the form and the compilation of the financial statements of December 31, 2001 and the report on the financial statements, through direct verifications and the information gathered by the auditing company;
- we assessed and supervised the adequacy and compliance of requirements to be satisfied by controlled companies. These requirements enabled them to provide the parent company with the information needed in a timely manner in order to meet the communication requirements established by the law.

During the course of this supervisory activity, no questionable or significant facts, omissions or irregularities were observed that need to be brought to the attention of the external control and supervisory bodies, or that require remarks here.

Moreover, in compliance with the recommendations from CONSOB, the Statutory Auditors state that:

- no atypical and/or unusual operations were observed, also infra-group and with related parties;
- the information provided by the Board of Directors, with specific reference to infra-group transactions and transactions with related parties, is adequate; in particular, these operations are considered associated to the fulfilment of the business purpose. The characteristics and economic effects of an ordinary nature are illustrated in the Notes, and are deemed consistent with and correspond to the interests of the company.

There have been no conflicts of interest nor have there been any operations which might significantly affect the economic, balance sheet or and financial situation of the parent company;

- During the year information has been exchanged and meetings periodically held with the representatives of Arthur Andersen S.p.A.. Although no Auditors' opinion has been issued at this date, there is no reason to believe that such opinion will be unqualified by any significant matter;

- during the year, opinions were issued as per Article 2389, clause 2 of the Italian Civil Code, and Article 158 of Legislative Decree 58/98.;

- during 2001, thirteen Board of Directors' meetings, and eleven Statutory Auditors' meetings were held;

- during 2001 the company, apart from the task of auditing the financial statements, the consolidated financial statements and the half-year results, entrusted Arthur Andersen S.p.A with the following tasks:

- expressing an opinion on the adequacy of the price of shares issued to increase the share capital, excluding the right of option, for 49,580,= Euro;

- providing "*due diligence*" support in relation to the acquisition of a company, for 55,777,=, not yet finalised;

- during 2001, the following tasks were entrusted to entities linked to Arthur Andersen S.p.A. by ongoing relations:

- Arthur Andersen MBA S.r.l., "*due diligence*" activities relating to the acquisition of a company, for 107,520,= Euro, not yet finalised;

- Arthur Andersen Partnership Dublino, fiscal consultancy services, for 23,584,= Euro;

- the company complied with the self-discipline code laid out by the Committee for *Corporate Governance* of listed companies, as illustrated in a specific Board of Directors' report;
- the Statutory Auditors agree with the size of the dividend proposed for distribution by the Board of Directors, also in consideration of the available asset reserves.

In conclusion, while informing you that we did not receive any complaint or statement as per art. 2408 of the Italian Civil Code, we would like to express a favourable opinion regarding the approval of the financial statements at December 31, 2001, showing a profit for the year of 97,714,102,= Euro.

Note that the Board of Directors and the Board of Statutory Auditors are about to conclude their mandate. The three-year certification task entrusted to the company Andersen S.p.A. shall also terminate. While thanking you for trusting us, we invite you to make provisions in this respect.

Finally, Statutory Auditors provide for a copy of this report, along with the financial statements and the Directors' report on the financial statements, to be deposited at the corporate headquarters.

Basiglio, April 3, 2002

The Board of Statutory Auditors
Arnaldo Mauri, Chairman
Achille Frattini
Francesco Antonio Giampaolo



ANDERSEN

Arthur Andersen SpA

Via della Moscova 3
20121 Milano

www.andersen.com

**Report of the Independent Auditors pursuant to art. 156
of Legislative Decree no. 58 of February 24, 1998
(Translation from the Original issued in Italian)**

To the Shareholders of
Mediolanum S.p.A.:

1. We have audited the financial statements of Mediolanum S.p.A. as of and for the year ended December 31, 2001. These financial statements are the responsibility of Mediolanum's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in Italy as recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

For our opinion on the prior year's financial statements, which are presented for comparative purposes as required by law, reference should be made to our auditors' report dated March 27, 2001.

3. In our opinion, the financial statements of Mediolanum S.p.A. as of and for the year ended December 31, 2001, comply with the Italian statutory provisions related to financial statements; therefore they give a true and fair view of the financial position and results of operations of the Company.

Milan, Italy
March 29, 2002

Arthur Andersen SpA

s/Riccardo Azzali - Partner

*Progetto grafico
e consulenza editoriale*

Massmedia partners srl
Milano