

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

Reclassified Income Statements

Euro in thousands

	Mediolanum Group		Core Business	
	31/12/2004	31/12/2003	31/12/2004	31/12/2003
	(*)	(*)	(**)	(**)
Premiums from insurance activities				
Gross premiums written	2.396.996	2.132.664	2.309.146	2.062.828
Reinsurance ceded	(7.090)	(7.687)	(7.062)	(7.675)
Commission income from financial activities and other income				
Entry fees	28.422	34.676	24.884	31.477
Management fees	186.152	161.183	168.201	142.811
Performance fees	56.792	85.435	55.390	84.496
Bank service margin	80.064	80.657	66.546	69.779
Bank interest spread	60.258	69.609	51.970	54.897
Other commissions	11.283	13.156	10.292	9.827
Other revenues	9.135	6.705	10.119	7.980
Total revenues	2.822.012	2.576.398	2.689.486	2.456.420
Change in Life insurance reserve and service to policyholders, net of reinsurance	(2.159.128)	(1.923.019)	(2.081.721)	(1.861.135)
Acquisition costs, net of reinsurance	(213.962)	(209.961)	(192.770)	(189.073)
General costs	(225.438)	(226.048)	(187.600)	(184.621)
Amortisation/depreciation and provisions	(56.705)	(78.303)	(27.194)	(49.857)
Net investment and asset income	23.578	24.723	16.048	18.004
Figurative proceeds from shareholdings in New Ventures (***)	-	0	8.480	8.103
Adjustments to the value of financial investments	(979)	(686)	(1.077)	(686)
Operating profit	189.378	163.104	223.652	197.155
Non-recurring extraordinary income and charges	2.486	(12.332)	2.837	(8.629)
PROFIT BEFORE TAXES	191.864	150.772	226.489	188.526
Taxes for the year	(50.578)	(21.360)	(52.230)	(24.109)
Profits from minority interests	-	(15)	-	0
PROFIT FOR THE YEAR PERTAINING TO THE GROUP	141.286	129.427	174.259	164.417

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

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

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

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

BALANCE SHEET

ASSETS

Euro/thousands

	Mediolanum Group		Core Business	
	31/12/2004	31/12/2003	31/12/2004	31/12/2003
	(*)	(*)	(**)	(**)
Tangible and Intangible assets	139.395	156.902	107.766	124.224
Consolidation difference	157.264	140.689	4.984	0
Shareholdings	197.009	192.887	591.447	495.945
Financial investments	4.332.406	4.582.373	4.375.384	4.470.126
Company's own shares	2.045	2.092	2.045	2.092
Investments on behalf of Life policyholders, carrying the risk and from pension fund management	8.924.569	7.187.768	8.765.365	7.106.972
Financial receivables	196.548	159.569	196.548	159.597
Due from reinsurers current and deposit accounts	-	3	-	3
Loans to customers	367.998	376.760	170.323	178.754
Loans to Fininvest Group and Doris Group companies	17.783	1.771	18.851	1.605
Sundry assets	278.489	217.127	228.814	170.712
Liquid assets	601.447	467.292	390.692	279.135
Accrued income and prepaid expenses	36.845	40.326	35.343	38.274
	15.251.798	13.525.559	14.887.562	13.027.439

SHAREHOLDERS' EQUITY AND LIABILITIES

	Mediolanum Group		Core Business	
	31/12/2004	31/12/2003	31/12/2004	31/12/2003
	(*)	(*)	(**)	(**)
Share capital	72.567	72.567	72.567	72.567
Other reserves	410.094	354.469	488.454	402.924
Minority interest in capital and reserves	-	5.977	-	0
Profit for the year	141.286	129.427	174.259	164.417
Life insurance technical reserves net of reinsurance	1.167.169	1.231.232	1.163.456	1.229.640
Life insurance technical reserves, when the risk is carried by policyholders, and reserves from pension fund management	8.993.770	7.187.025	8.834.566	7.106.229
Risk and contingency funds	45.325	42.517	36.132	33.671
Employee severance fund	11.605	10.450	11.605	10.450
Due to reinsurers current and deposit accounts	108.215	110.544	108.215	110.439
Utilisation of credit lines	250.000	290.000	250.000	290.000
Due to credit institutions/ customer deposits	3.828.555	3.907.189	3.563.407	3.448.758
Due to suppliers and financial consultants	73.404	82.880	75.483	75.347
Due to Fininvest Group and Doris Group Companies	17.262	3.857	4.084	4.038
Due to tax authorities	32.262	35.844	33.587	36.037
Payables and other liabilities	96.336	54.189	67.577	38.640
Accruals and deferred income	3.949	7.392	4.170	4.282
	15.251.798	13.525.559	14.887.562	13.027.439

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

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