






Milan, May 17-18, 2007

**Deutsche Bank**   
**8th Italian Conference**  
Italian Champions

## ***2007 – The Year of Change***



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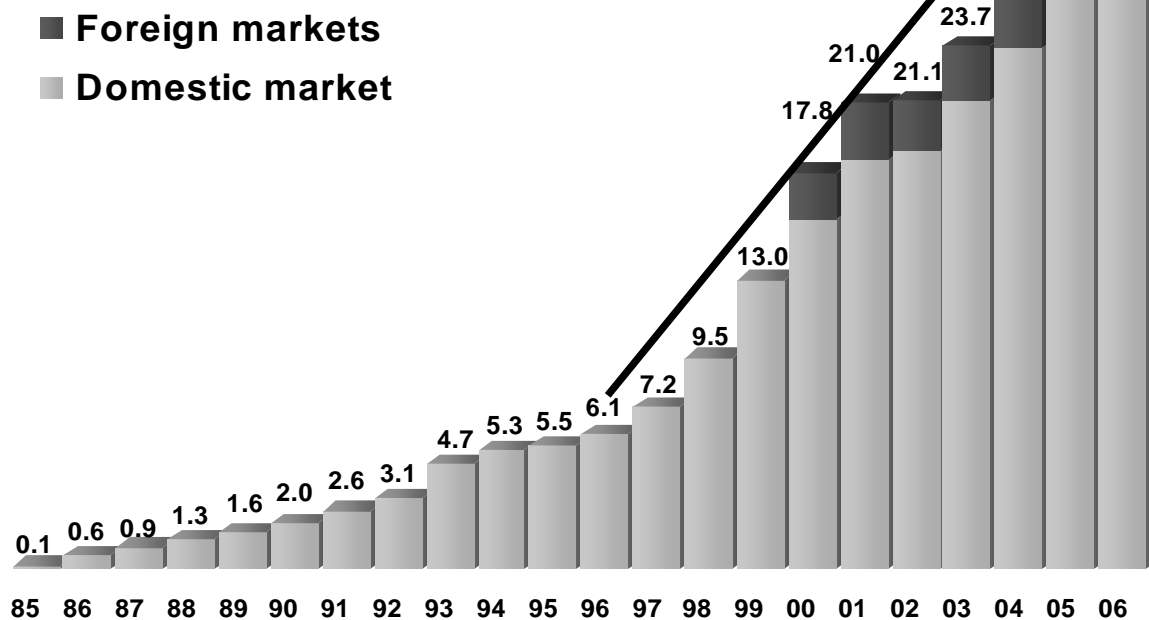
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# AuA 10-year CAGR

€bn

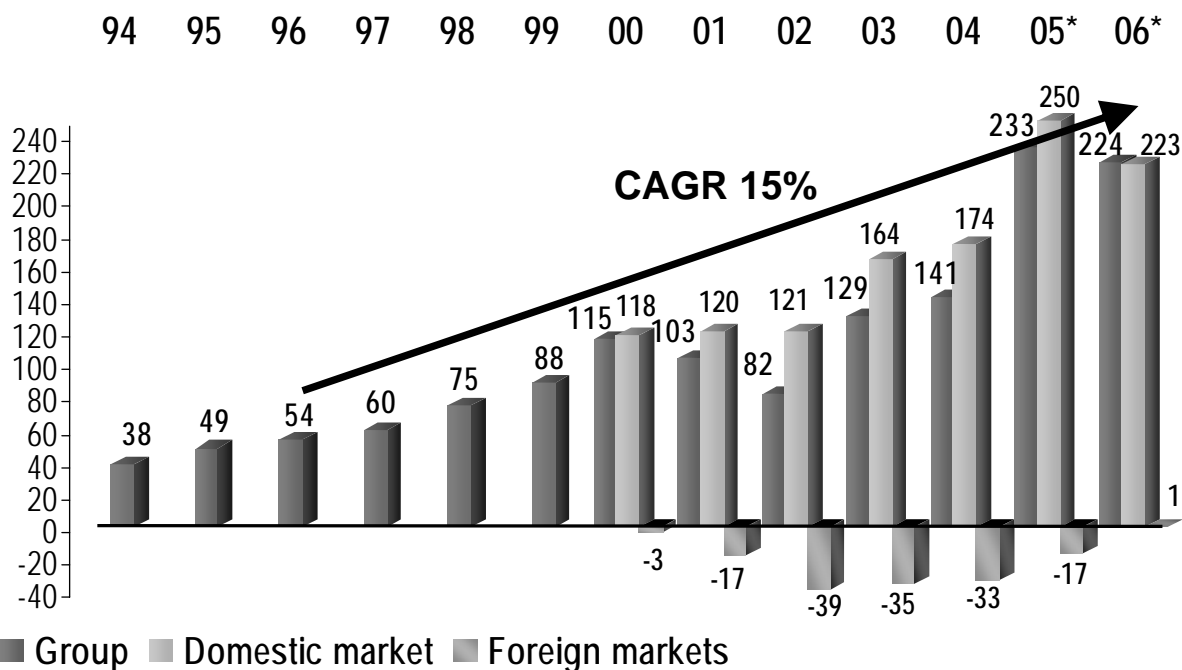
3  
2007  
the Year  
of Change



# Net Profit 10-year CAGR

€mn

4  
2007  
the Year  
of Change

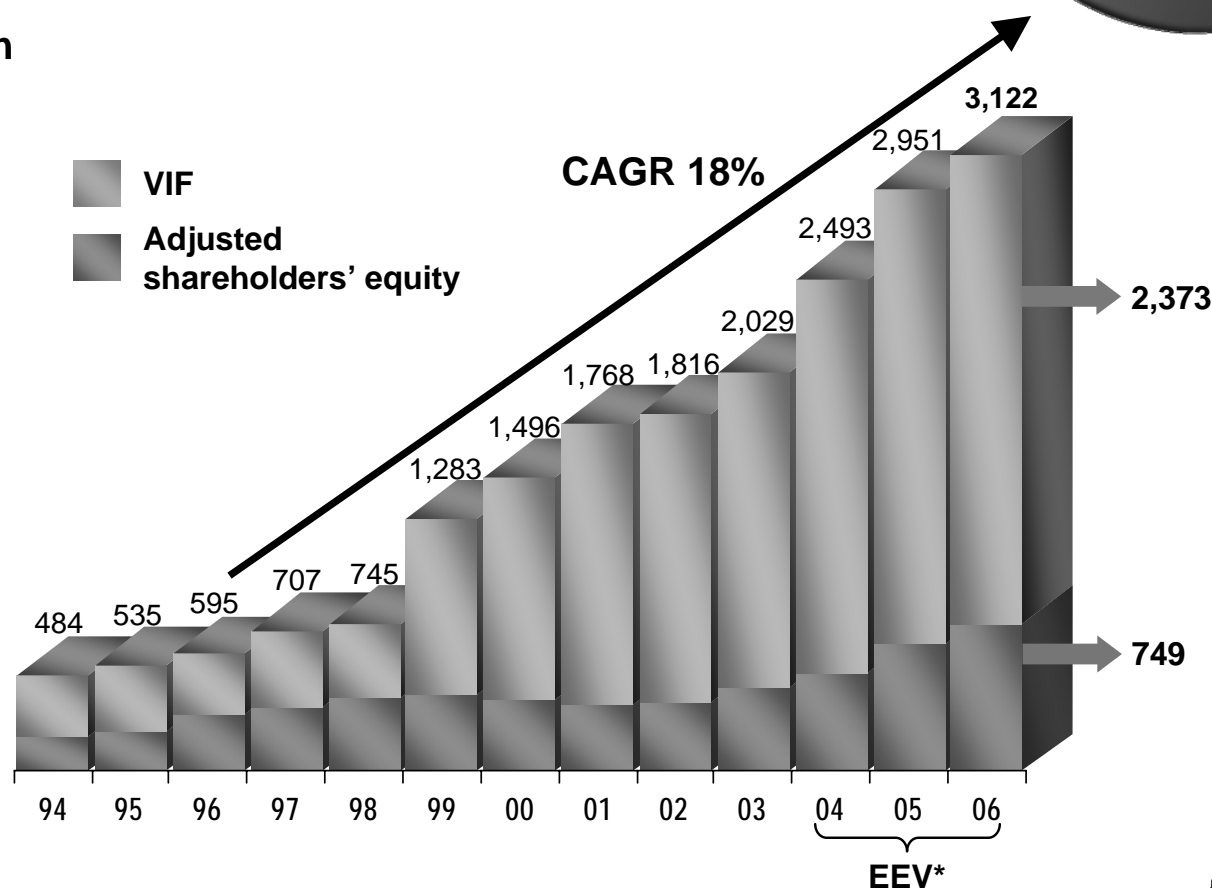


\* IAS/IFRS



# Embedded value 10-year CAGR

€mn



\* including Spain & Italian banking business



6

2007  
the Year  
of Change

## 2007 – The Year of Change



### Complementary Pension Reform

an extraordinary opportunity for Mediolanum  
which is a major player in the private pension business



### 'ICoNA' utilised by 100% of the network

the new structured approach to recruiting  
changing the image of 'Financial Advisor' to 'Family Banker'  
resulting in an unprecedented boom in new hires



### Heavy training-related workload

restructuring of 'Training & Learning' department &  
founding of the 'Mediolanum Corporate University'



## 2007 – The Year of Change



### **Capacity adjustments to the Banking Services Centre**

to respond to the larger & more active customer base thanks to the success of the ongoing '4Freedoms' project



### **Transformation of some Asset Management products**

that were the object of customer disaffection or that generated returns significant enough to warrant the consolidation of capital gains



### **Changes in regulations:**









- Requirements for new risk control structures
- restrictions on life products that can be sold by non-licensed advisors after July 1<sup>st</sup> 2007




## Q1 2007 Group Results



# Q1 2007 Highlights

 AuA	€ 34.2 bn	+9%
 Profit before Tax	€ 80 mn	+7%
 Performance Fees	€ 15 mn	-41%
 Profit before Tax excl. Performance Fees	€ 66 mn	+30%
 Net Income	€ 61 mn	+4%
 Gross Inflows	€ 2,574 mn	+30%
 Net Inflows	€ 645 mn	+23%
 Total Family Bankers	6,475	+18%



## Income Statement

€mn

	Q107	Q106	Change
- Net premiums written	912.9	678.8	+34%
- Amounts paid & change in technical reserves	(858.3)	(629.7)	-36%
Total Life income	54.6	49.1	+11%
Total commission income	144.5	155.1	-7%
Net financial income	34.8	16.6	+110%
Net income on other investments*	6.9	4.7	+49%
Other revenues	7.0	6.2	+12%
<b>Total Revenues</b>	<b>247.8</b>	<b>231.7</b>	<b>+7%</b>
Acquisition costs & other commission expenses	(79.8)	(84.9)	+6%
G&A expenses	(78.0)	(61.3)	-27%
Other	(9.7)	(10.1)	+5%
<b>Total Costs</b>	<b>(167.4)</b>	<b>(156.3)</b>	<b>-7%</b>
<b>PROFIT BEFORE TAX</b>	<b>80.4</b>	<b>75.4</b>	<b>+7%</b>
Income tax	(19.4)	(16.5)	-18%
<b>NET INCOME</b>	<b>61.1</b>	<b>59.0</b>	<b>+4%</b>
<b>tax rate</b>	<b>24.1%</b>	<b>21.8%</b>	

\* Banca Esperia included using the equity method (€3.5mn)

# Assets under Administration

€mn

	31/03/07	31/03/06	Change
Life	14,274.3	12,640.2	+13%
Asset management	15,731.9	14,853.6	+6%
Banking*	5,148.5	4,598.2	+12%
<i>Consolidation adjustments</i>	<i>(7,979.9)</i>	<i>(6,688.6)</i>	<i>-19%</i>
'Banca Esperia' (48.5%)	3,671.9	2,926.0	+25%
<b>Domestic Market's Assets</b>	<b>30,846.7</b>	<b>28,329.4</b>	<b>+9%</b>
Life	422.4	352.0	+20%
Asset management	1,118.4	1,169.1	-4%
Banking	1,839.7	1,579.7	+16%
Other	242.6	249.6	-3%
<i>Consolidation adjustments</i>	<i>(277.1)</i>	<i>(268.4)</i>	<i>-3%</i>
<b>Foreign Markets' Assets</b>	<b>3,346.0</b>	<b>3,082.0</b>	<b>+9%</b>
<b>AUA</b>	<b>34,192.7</b>	<b>31,411.3</b>	<b>+9%</b>

\* Retail only

# Gross Inflows

€mn

	Q107	Q106	Change
Gross premiums written	920.3	688.3	+34%
Asset management products	1,539.8	1,409.9	+9%
<b>Managed Assets Inflows</b>	<b>2,460.1</b>	<b>2,098.3</b>	<b>+17%</b>
<b>Administered Assets Inflows</b>	<b>113.7</b>	<b>(124.8)</b>	<b>n.s.</b>
<b>GROSS INFLOWS</b>	<b>2,573.8</b>	<b>1,973.5</b>	<b>+30%</b>



# Net Inflows

€mn

	Q107	Q106	Change
Life premiums	392.8	298.8	+31%
Asset management products	142.8	353.2	-60%
<b>Managed Assets Inflows</b>	<b>535.6</b>	<b>651.9</b>	<b>-18%</b>
<b>Administered Assets Inflows</b>	<b>109.7</b>	<b>(128.0)</b>	<b>n.s.</b>
<b>NET INFLOWS</b>	<b>645.3</b>	<b>524.0</b>	<b>+23%</b>



## Q1 2007 Results: Domestic Market



# Assets under Administration

€mn

	31/03/07	31/03/06	Change
Life	14,274.3	12,640.2	+13%
Asset management	15,731.9	14,853.6	+6%
<i>Consolidation adjustments</i>	<i>(7,979.9)</i>	<i>(6,688.6)</i>	-19%
<b>Managed Assets</b>	<b>22,026.3</b>	<b>20,805.1</b>	<b>+6%</b>
Banking*	5,148.5	4,598.2	+12%
<b>Administered Assets</b>	<b>5,148.5</b>	<b>4,598.2</b>	<b>+12%</b>
<b>BANCA MEDIOLANUM</b>	<b>27,174.8</b>	<b>25,403.4</b>	<b>+7%</b>
<b>BANCA ESPERIA (48.5%)</b>	<b>3,671.9</b>	<b>2,926.0</b>	<b>+25%</b>
<b>TOTAL AUA</b>	<b>30,846.7</b>	<b>28,329.4</b>	<b>+9%</b>

\* Retail only



# Gross Inflows

€mn

	Q107	Q106	Change
Gross premiums written	864.3	646.4	+34%
Asset management products	748.5	989.2	-24%
<b>Managed Assets Inflows</b>	<b>1,612.9</b>	<b>1,635.6</b>	<b>-1%</b>
Securities in custody	145.4	(141.4)	n.s.
Cash deposits	(20.7)	(36.9)	+44%
Repurchase agreements	15.3	23.3	-34%
<b>Administered Assets Inflows</b>	<b>140.0</b>	<b>(155.0)</b>	<b>n.s.</b>
<b>Other</b>	<b>7.1</b>	<b>5.1</b>	<b>+39%</b>
<b>BANCA MEDIOLANUM</b>	<b>1,759.9</b>	<b>1,485.7</b>	<b>+18%</b>
<b>BANCA ESPERIA (48.5%)</b>	<b>599.0</b>	<b>308.0</b>	<b>+94%</b>
<b>TOTAL GROSS INFLOWS</b>	<b>2,358.9</b>	<b>1,793.7</b>	<b>+32%</b>





# Net Inflows

€mn

	Q107	Q106	Change
Life premiums	376.9	267.8	+41%
Asset management products	(98.0)	180.8	n.s.
<b>Managed Assets Inflows</b>	<b>278.9</b>	<b>448.6</b>	<b>-38%</b>
Securities in custody	145.4	(141.4)	n.s.
Cash deposits	(20.7)	(36.9)	+44%
Repurchase agreements	15.3	23.3	-34%
<b>Administered Assets Inflows</b>	<b>140.0</b>	<b>(155.0)</b>	<b>n.s.</b>
Other	1.1	1.0	+10%
<b>BANCA MEDIOLANUM</b>	<b>419.9</b>	<b>294.6</b>	<b>+43%</b>
<b>BANCA ESPERIA (48.5%)</b>	<b>238.1</b>	<b>176.1</b>	<b>+35%</b>
<b>TOTAL NET INFLOWS</b>	<b>658.1</b>	<b>470.7</b>	<b>+40%</b>



# Income Statement in detail

€mn

	Q107	Q106	Change
Net premiums written	861.6	641.7	+34%
Amounts paid & change in technical reserves	(813.5)	(596.8)	-36%
<b>Total Life income</b>	<b>48.1</b>	<b>44.9</b>	<b>+7%</b>
Entry fees	12.7	20.7	-39%
Management fees	79.1	73.3	+8%
Performance fees	13.8	24.2	-43%
Banking service fees	10.8	10.4	+4%
Other fees	9.3	10.1	-8%
<b>Total commission income</b>	<b>125.8</b>	<b>138.8</b>	<b>-9%</b>
Interest income & similar income	57.1	37.0	+54%
Interest expense & similar charges	(30.6)	(18.2)	-68%
Net income on investments at fair value	4.8	(4.6)	n.s.
<b>Net financial income</b>	<b>31.3</b>	<b>14.2</b>	<b>+120%</b>
Net income on other investments*	6.0	5.0	+20%
Other revenues	6.9	6.2	+12%
<b>Total Revenues</b>	<b>218.1</b>	<b>209.0</b>	<b>+4%</b>
Acquisition costs & other commission expenses	(65.3)	(73.1)	+11%
Net impairment of financial investments	(0.3)	(0.1)	-150%
G&A expenses	(66.8)	(51.8)	-29%
Amortisation & depreciation	(5.1)	(4.4)	-17%
Provisions for risks & charges	(3.4)	(4.7)	+28%
<b>Total Cost</b>	<b>(140.9)</b>	<b>(134.0)</b>	<b>-5%</b>
<b>PROFIT BEFORE TAX</b>	<b>77.3</b>	<b>75.0</b>	<b>+3%</b>
Income tax	(18.0)	(16.0)	-13%
<b>NET INCOME</b>	<b>59.2</b>	<b>58.9</b>	<b>+0%</b>
<b>tax rate</b>	<b>23.3%</b>	<b>21.4%</b>	

\* Banca Esperia included using the equity method (€3.5mn)



# Profit by Segment

€mn

	Q107	Q106	Change
Life	43.0	36.8	+17%
Asset Management	24.7	30.5	-19%
Banking	7.8	4.0	+94%
Other	1.9	3.6	-49%
<b>PROFIT BEFORE TAX</b>	<b>77.3</b>	<b>75.0</b>	<b>+3%</b>



# Life Gross Premiums Written

€mn

	Q107	Q106	Change
U-L Pension plans (Tax Benefit, My Pension)*	8.8	15.9	-45%
U-L Pension policies (Europension)*	9.8	13.7	-28%
U-L Investment policies (Alternative Funds, Life Funds)*	17.7	33.3	-47%
<b>Recurring policies (AP)</b>	<b>36.3</b>	<b>62.8</b>	<b>-42%</b>
Trad/Group/Investment policies	3.8	3.5	+7%
U-L policies (Alternative Funds, Life Funds, Trio)	167.7	129.3	+30%
I-L policies (Dipiù, Double Premium)	375.7	196.4	+91%
<b>Single premium policies (SP)</b>	<b>547.2</b>	<b>329.3</b>	<b>+66%</b>
<b>TOTAL NEW BUSINESS</b>	<b>583.5</b>	<b>392.1</b>	<b>+49%</b>
Pension plans in-force	194.9	181.3	+7%
Investment policies in-force	85.9	72.9	+18%
<b>TOTAL IN-FORCE BUSINESS</b>	<b>280.8</b>	<b>254.2</b>	<b>+10%</b>
<b>TOTAL GROSS PREMIUMS WRITTEN</b>	<b>864.3</b>	<b>646.4</b>	<b>+34%</b>
<i>o/w Life financial contracts</i>	<i>1.7</i>	<i>3.1</i>	<i>-46%</i>

\* Includes automatic increase in premiums &amp; discretionary increases paid



# Life Recurring Policies in detail

21

Domestic  
Market

€mn

	Q107	Q106	Change
U-L Pension plans (Tax Benefit, My Pension)	8.5	15.5	-46%
o/w automatic increase in premiums	3.1	2.3	+33%
o/w discretionary increase in premiums already paid	5.4	2.8	+90%
U-L Pension plans (Europension)	9.8	13.7	-28%
o/w automatic increase in premiums	3.9	4.8	-19%
o/w discretionary increase in premiums already paid	1.8	3.1	-40%
Traditional Pension plans	0.3	0.4	-7%
o/w automatic increase in premiums	0.2	0.2	-23%
<b>Total Pension plans</b>	<b>18.6</b>	<b>29.5</b>	<b>-37%</b>
U-L Investment policies (Alternative Funds, Life Funds)	17.7	33.3	-47%
o/w automatic increase in premiums	1.5	1.0	+54%
<b>RECURRING POLICIES</b>	<b>36.3</b>	<b>62.8</b>	<b>-42%</b>
- o/w automatic increase in premiums	8.7	8.3	+4%
- o/w discretionary increase in premiums already paid*	7.2	5.9	+23%
<b>Total increase in premiums</b>	<b>15.9</b>	<b>14.2</b>	<b>+12%</b>

\* discretionary increase in premiums of €9.4 mn not yet paid are not included



# Life Policyholders' Assets

22

Domestic  
Market

€mn

	31/03/07	31/03/06	Change
Traditional	1,286.1	1,237.4	+4%
Index-linked*	5,346.6	4,883.1	+9%
Unit-linked	7,641.6	6,519.7	+17%
o/w equity	77.0%	78.0%	-1%
<b>LIFE ASSETS</b>	<b>14,274.3</b>	<b>12,640.2</b>	<b>+13%</b>

\* Life financial contracts – 2007: €785mn, 2006: €1.082 mn



# Life Commission Income

23

Domestic  
Market

€mn

	Unit-linked Products Commission Income			Total Commission Income*		
	Q107	Q106	Change	Q107	Q106	Change
Entry fees	---	---	---	12.7	20.7	-39%
Management fees	41.3	34.1	+21%	79.1	73.3	+8%
Performance fees	7.7	10.8	-29%	13.8	24.2	-43%
<b>TOTAL</b>	<b>49.0</b>	<b>44.9</b>	<b>+9%</b>	<b>105.6</b>	<b>118.2</b>	<b>-11%</b>

\* on all products with mutual funds underlying



# Life Amounts Paid & Change in Reserves

24

Domestic  
Market

€mn

	Q107	Q106	Change
Claims & maturities	158.4	175.4	-10%
Natural surrenders	208.1	172.6	+21%
Surrenders from transformation	121.0	30.6	+295%
<b>Amounts paid</b>	<b>487.4</b>	<b>378.6</b>	<b>+29%</b>
<b>Change in technical reserves</b>	<b>327.4</b>	<b>219.7</b>	<b>+49%</b>
<b>Recovery from reinsurance</b>	<b>(1.4)</b>	<b>(1.5)</b>	<b>+6%</b>
<b>AMOUNTS PAID &amp; CHANGE IN RESERVES</b>	<b>813.5</b>	<b>596.8</b>	<b>+36%</b>



# Life Surrender Rate

expressed as a % of the reserves

25

Domestic Market

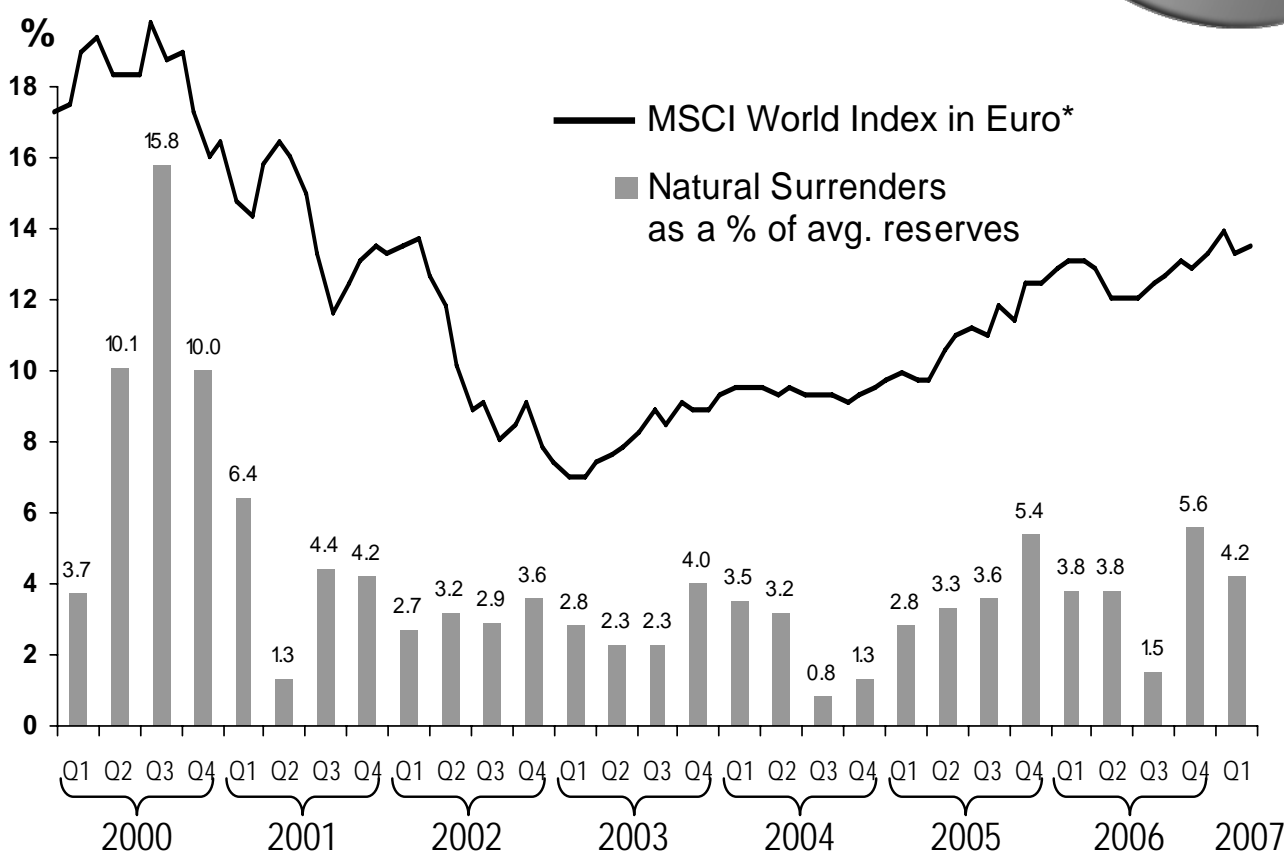
	Q107	Q106	Change
Traditional Investment policies <i>o/w natural surrenders</i>	1.8% 1.8%	2.4% 2.4%	-25% -25%
U-L Investment policies <i>o/w natural surrenders</i>	5.4% 4.2%	5.4% 3.9%	+0% +8%
<b>INVEST. POLICIES</b>	<b>5.2%</b>	<b>5.2%</b>	<b>+0%</b>
<b><i>o/w natural surrenders</i></b>	<b>4.1%</b>	<b>3.8%</b>	<b>+8%</b>
Traditional Pension plans <i>o/w natural surrenders</i>	0.5% 0.5%	0.5% 0.5%	+0% +0%
U-L Pension plans <i>o/w natural surrenders</i>	1.5% 1.3%	1.5% 1.4%	+0% -7%
<b>PENSION PLANS</b>	<b>1.3%</b>	<b>1.3%</b>	<b>+0%</b>
<b><i>o/w natural surrenders</i></b>	<b>1.2%</b>	<b>1.2%</b>	<b>+0%</b>



## Life – Natural surrenders trend U-L investment policies

26

Domestic Market



\* source: Datastream



# Profit by Segment

€mn

	Q107	Q106	Change
Life	43.0	36.8	+17%
Asset Management	24.7	30.5	-19%
Banking	7.8	4.0	+94%
Other	1.9	3.6	-49%
<b>PROFIT BEFORE TAX</b>	<b>77.3</b>	<b>75.0</b>	<b>+3%</b>



# Asset Management Gross Inflows

€mn

	Q107	Q106	Change
Equity funds	186.8	255.6	-27%
Bond funds	103.6	123.7	-16%
Monetary funds	151.1	125.6	+20%
Flexible funds	90.6	0.0	n.s.
<b>Total 'unbundled' mutual funds</b>	<b>532.2</b>	<b>504.9</b>	<b>+5%</b>
'Elite' funds of funds	11.9	34.9	-66%
'Mix' accounts	40.7	59.8	-32%
'Chorus' managed accounts	3.0	18.4	-83%
'Portfolio' funds of funds	123.4	151.0	-18%
<b>Total 'bundled' mutual funds</b>	<b>179.1</b>	<b>264.0</b>	<b>-32%</b>
<i>o/w equity</i>	<i>115.6</i>	<i>171.5</i>	<i>-33%</i>
<b>Real Estate</b>	<b>37.2</b>	<b>220.3</b>	<b>-83%</b>
<b>TOTAL GROSS INFLOWS INTO A. M. PRODUCTS</b>	<b>748.5</b>	<b>989.2</b>	<b>-24%</b>
<i>o/w equity</i>	<i>42.5%</i>	<i>55.6%</i>	<i>-23%</i>



# Asset Management Assets\*

29

Domestic Market

€mn

	31/03/07	31/03/06	Change
Equity funds	9,663.5	9,296.3	+4%
Bond funds	2,154.6	2,080.9	+4%
Monetary funds	1,131.0	1,046.1	+8%
Flexible funds	122.8	0.0	n.s.
<b>Total 'unbundled' mutual funds</b>	<b>13,071.9</b>	<b>12,423.3</b>	<b>+5%</b>
'Elite' funds of funds	169.2	165.9	+2%
'Mix' accounts	1,480.1	1,594.9	-7%
'Chorus' managed accounts	1,058.3	1,540.5	-31%
'Portfolio' funds of funds	600.0	346.7	+73%
Funds of hedge funds	441.9	176.3	+151%
<b>Total 'bundled' mutual funds</b>	<b>3,749.5</b>	<b>3,824.3</b>	<b>-2%</b>
<i>o/w equity</i>	<i>2,480.6</i>	<i>2,738.6</i>	<i>-9%</i>
Real estate related funds & 'other'	349.5	307.6	+14%
<i>Adj. for own mutual funds in managed accts</i>	<i>(1,439.0)</i>	<i>(1,711.9)</i>	<i>+16%</i>
<b>ASSET MANAGEMENT ASSETS</b>	<b>15,731.9</b>	<b>14,853.6</b>	<b>+6%</b>
<i>o/w equity</i>	<i>72.1%</i>	<i>74.0%</i>	<i>-3%</i>

\* including U-L assets

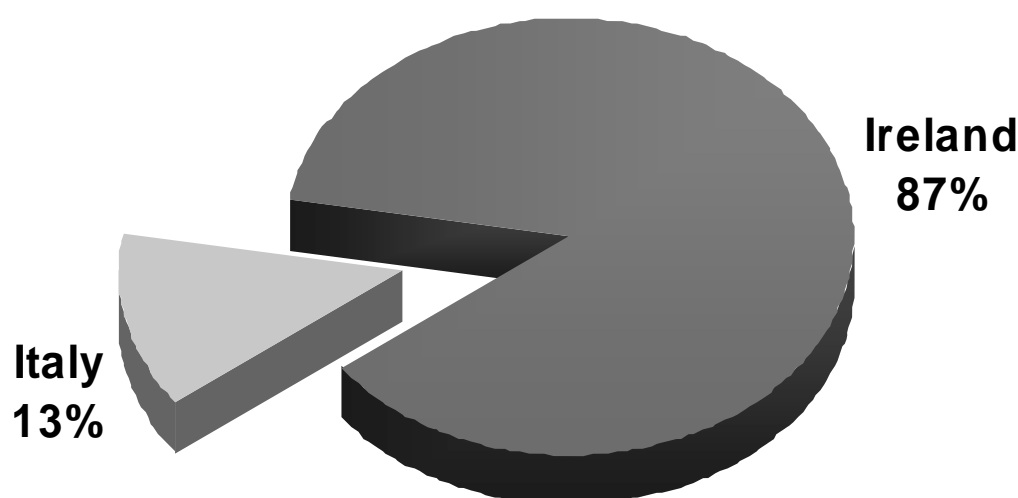


# Asset Management Assets by Location

30

Domestic Market

as at 31.03.07



# Asset Management Commission Income

31

Domestic  
Market

€mn

	A.M. Products Commission Income			Total Commission Income*		
	Q107	Q106	Change	Q107	Q106	Change
Entry fees	12.7	20.7	-39%	12.7	20.7	-39%
Management fees	37.8	39.2	-4%	79.1	73.3	+8%
Performance fees	6.1	13.3	-54%	13.8	24.2	-43%
<b>TOTAL</b>	<b>56.6</b>	<b>73.3</b>	<b>-23%</b>	<b>105.6</b>	<b>118.2</b>	<b>-11%</b>

\* on all products with mutual funds underlying



# Profit by Segment

32

Domestic  
Market

€mn

	Q107	Q106	Change
Life	43.0	36.8	+17%
Asset Management	24.7	30.5	-19%
Banking	7.8	4.0	+94%
Other	1.9	3.6	-49%
<b>PROFIT BEFORE TAX</b>	<b>77.3</b>	<b>75.0</b>	<b>+3%</b>





# Banking Assets

33

Domestic Market

€mn

	31/03/07	31/03/06	Change
Cash deposits	3,162.7	2,875.2	+10%
Securities in custody	1,791.8	1,587.7	+13%
Repurchase agreements	194.0	135.4	+43%
<b>BANKING ASSETS*</b>	<b>5,148.5</b>	<b>4,598.2</b>	<b>+12%</b>

\*Retail only



# Banking Revenues

34

Domestic Market

€mn

	Q107	Q106	Change
<b>Banking Net Financial Income</b>	<b>27.8</b>	<b>17.5</b>	<b>+58%</b>
Securities	3.5	3.4	+5%
Service fees	7.6	7.4	+3%
<i>o/w fees from 3rd party mortgages</i>	<i>0.6</i>	<i>1.0</i>	<i>-36%</i>
<b>Fee Income</b>	<b>11.1</b>	<b>10.8</b>	<b>+3%</b>
<b>Other Income</b>	<b>2.4</b>	<b>0.8</b>	<b>+191%</b>
<b>BANKING REVENUES</b>	<b>41.3</b>	<b>29.1</b>	<b>+42%</b>



# Bank Accounts & Account Holders

35

Domestic  
Market

	31/03/07	31/03/06	Change
Bank accounts	479,900	408,700	+17%
Primary bank account holders	453,600	380,300	+19%



## Costs

€mn

36

Domestic  
Market

	Q107	Q106	Change
Amounts paid & change in technical reserves	(813.5)	(596.8)	-36%
Commission expense & acquisition costs*	(57.8)	(66.3)	+13%
3rd party A.M. fees & other expenses	(7.5)	(6.8)	-11%
Net impairment of financial investments	(0.3)	(0.1)	-150%
G&A expenses*	(66.8)	(51.8)	-29%
Depreciation, amortisation & provisions	(8.5)	(9.0)	+6%

\* includes '4Freedoms' expenses



# Net Financial Income & Net Income on Other Investments

37

Domestic Market

€mn

	Q107	Q106	Change
Banking	27.8	17.5	+58%
Life	5.4	(1.9)	n.s.
Other	(1.9)	(1.4)	-30%
<b>NET FINANCIAL INCOME</b>	<b>31.3</b>	<b>14.2</b>	<b>+120%</b>
Banking	0.9	0.0	n.s.
Life	1.3	(0.2)	n.s.
Other*	3.8	5.2	-26%
<b>NET INCOME ON OTHER INVESTMENTS</b>	<b>6.0</b>	<b>5.0</b>	<b>+20%</b>

\* Banca Esperia included using the equity method (€3.5mn)



## Dedicated Network

38

Domestic Market

	31/03/07	31/03/06	Change
Licensed Financial Advisors	4,036	3,947	+2%
Non-licensed Financial Advisors	2,439	1,518	+61%
<b>BANCA MEDIOLANUM</b>	<b>6,475</b>	<b>5,465</b>	<b>+18%</b>



# Banca Esperia (100%) Highlights

39

Domestic  
Market

€mn

	Q107	Q106	Change
Profit before Tax	12.4	7.3	+70%
Net Income	7.2	4.0	+79%
<i>o/w Mediolanum share</i>	3.5	2.0	+79%
Assets under Administration	7,571	6,033	+25%
<i>% in Managed Assets</i>	83.3%	82.7%	+1%
Gross Inflows	1,235	635	+94%
<i>o/w Managed Assets Inflows</i>	1,243	596	+109%
Net Inflows	491	363	+35%
<i>o/w Managed Assets Inflows</i>	499	324	+54%
Clients	2,684	2,146	+25%
Private Bankers	54	55	-2%



40

Foreign  
Markets

**Q1 2007 Results:  
Foreign markets**



# Income Statement in detail

€mn

	Q107	Q106	Change
Net premiums written	51.3	37.2	+38%
Amounts paid & change in technical reserves	(44.8)	(32.9)	-36%
<b>Total Life income</b>	<b>6.5</b>	<b>4.3</b>	<b>+52%</b>
Entry fees	1.7	1.8	-2%
Management fees	4.4	4.4	+1%
Performance fees	0.8	0.6	+22%
Banking service fees	8.8	8.4	+4%
Other fees	3.2	1.4	+133%
<b>Total commission income</b>	<b>18.8</b>	<b>16.5</b>	<b>+14%</b>
Interest income & similar income	6.3	4.3	+46%
Interest expense & similar charges	(2.9)	(2.1)	-40%
Net income on investments at fair value	0.2	0.2	-27%
<b>Net financial income</b>	<b>3.5</b>	<b>2.4</b>	<b>+45%</b>
Net income on other investments	0.9	(0.4)	n.s.
Other revenues	0.4	0.4	+5%
<b>Total Revenues</b>	<b>30.1</b>	<b>23.2</b>	<b>+30%</b>
Acquisition costs & other commission expenses	(14.5)	(11.9)	-22%
Net impairment of financial investments	0.2	(0.2)	n.s.
G&A expenses	(11.5)	(9.8)	-17%
Amortisation & depreciation	(1.2)	(0.7)	-60%
Provisions for risks & charges	0.0	(0.1)	+90%
<b>Total Cost</b>	<b>(26.9)</b>	<b>(22.8)</b>	<b>-18%</b>
<b>PROFIT BEFORE TAX</b>	<b>3.2</b>	<b>0.5</b>	<b>+590%</b>
Income tax	(1.3)	(0.4)	-202%
<b>NET INCOME</b>	<b>1.9</b>	<b>0.0</b>	<b>n.s.</b>



## Spain Income Statement

€mn

	Q107	Q106	Change
Total revenues	21.8	16.5	+33%
Total costs	(18.3)	(14.7)	-24%
<b>Operating Result</b>	<b>3.6</b>	<b>1.8</b>	<b>+102%</b>
Capital gain	0.0	0.1	n.s.
<b>Profit before Tax</b>	<b>3.6</b>	<b>1.9</b>	<b>+91%</b>
Income tax	(1.2)	(0.3)	-271%
<b>SPAIN NET INCOME</b>	<b>2.3</b>	<b>1.5</b>	<b>+53%</b>



# Spain Assets under Administration

€mn

	31/03/07	31/03/06	Change
Life & pension funds	394.3	329.6	+20%
Asset Management	798.9	762.1	+5%
Banking	1,826.1	1,554.3	+17%
<i>Consolidation adjustments</i>	<i>(277.4)</i>	<i>(268.4)</i>	<i>-3%</i>
<b>SPAIN AUA</b>	<b>2,741.9</b>	<b>2,377.6</b>	<b>+15%</b>



# Spain Gross Inflows

€mn

	Q107	Q106	Change
Gross premiums written	53.7	39.0	+38%
<i>o/w recurring policies (AP)</i>	4.5	3.2	+39%
<i>o/w single premium policies (SP)</i>	49.2	35.7	+38%
Asset management products	143.4	101.3	+42%
<b>Managed Assets Inflows</b>	<b>197.1</b>	<b>140.3</b>	<b>+40%</b>
Securities in custody	(15.9)	(26.0)	+39%
Cash deposits	(6.7)	37.7	n.s.
<b>Administered Assets Inflows</b>	<b>(22.6)</b>	<b>11.6</b>	<b>n.s.</b>
<b>SPAIN GROSS INFLOWS</b>	<b>174.5</b>	<b>151.9</b>	<b>+15%</b>



# Spain Net Inflows

45

Foreign  
Markets

€mn

	Q107	Q106	Change
Life premiums	14.5	28.2	-49%
Asset management products	34.2	17.3	+97%
<b>Managed Assets Inflows</b>	<b>48.7</b>	<b>45.5</b>	<b>+7%</b>
Securities in custody	(15.9)	(26.0)	+39%
Cash deposits	(10.7)	34.5	n.s.
<b>Administered Assets Inflows</b>	<b>(26.6)</b>	<b>8.4</b>	<b>n.s.</b>
<b>SPAIN NET INFLOWS</b>	<b>22.1</b>	<b>54.0</b>	<b>-59%</b>



# Spain Dedicated Sales Network

46

Foreign  
Markets

	31/03/07	31/03/06	Change
<b>Financial Advisors (Mediolanum model)</b>	<b>539</b>	<b>437</b>	<b>+23%</b>
<b>Commercial Agents (Traditional model)</b>	<b>49</b>	<b>57</b>	<b>-14%</b>
<b>FIBANC</b>	<b>588</b>	<b>494</b>	<b>+19%</b>



# Germany - B.A. Lenz Highlights

47

Foreign  
Markets

€mn

	Q107	Q106	Change
Net Income	(2.3)	(1.8)	-29%
Assets under Administration	57.4	59.9	-4%
<i>o/w Managed Assets</i>	42.3	33.0	+28%
Gross Inflows	4.9	4.5	+10%
Net Inflows	2.4	3.0	-21%
<i>o/w Managed Assets Inflows</i>	2.1	3.4	-37%
<i>o/w Administered Assets Inflows</i>	0.2	(0.4)	n.s.
Financial Advisors	41	44	-7%
Customers	4,038	4,592	-12%
<i>with Managed Assets products</i>	2,381	2,361	+1%



# Germany - Gamax Highlights

48

Foreign  
Markets

€mn

	Q107	Q106	Change
Net Income*	1.8	0.3	+525%
Assets under Administration	546.7	644.4	-15%
<i>o/w Gamax funds</i>	305.4	396.4	-23%
Gross Inflows	35.5	23.4	+52%
<i>o/w Gamax funds</i>	12.8	9.2	+39%
Net Inflows	(36.1)	(2.7)	n.s.
<i>o/w Gamax funds</i>	(37.3)	(15.7)	-138%

\* also including €1.1 mn Net Income of Mediolanum International SA










## Growth Project Update



### ‘4Freedoms’ growth strategy

-  **Comprehensive Marketing plan:** to increase number of customers who have a bank account with us & use it actively
-  **Fact:** Italians invest their money where they keep their bank account(s)
-  **Our model:** multi-channel, branchless yet incorporating the human touch, offers a ‘low or no-cost’ account, a high level of service delivery & flexibility, no dependance on proximity
-  **Experience:** after a few months active customers close their other accounts and shift their assets to us
-  **Rationale:** active bank customers have 4 to 6 times greater assets than customers without the bank account



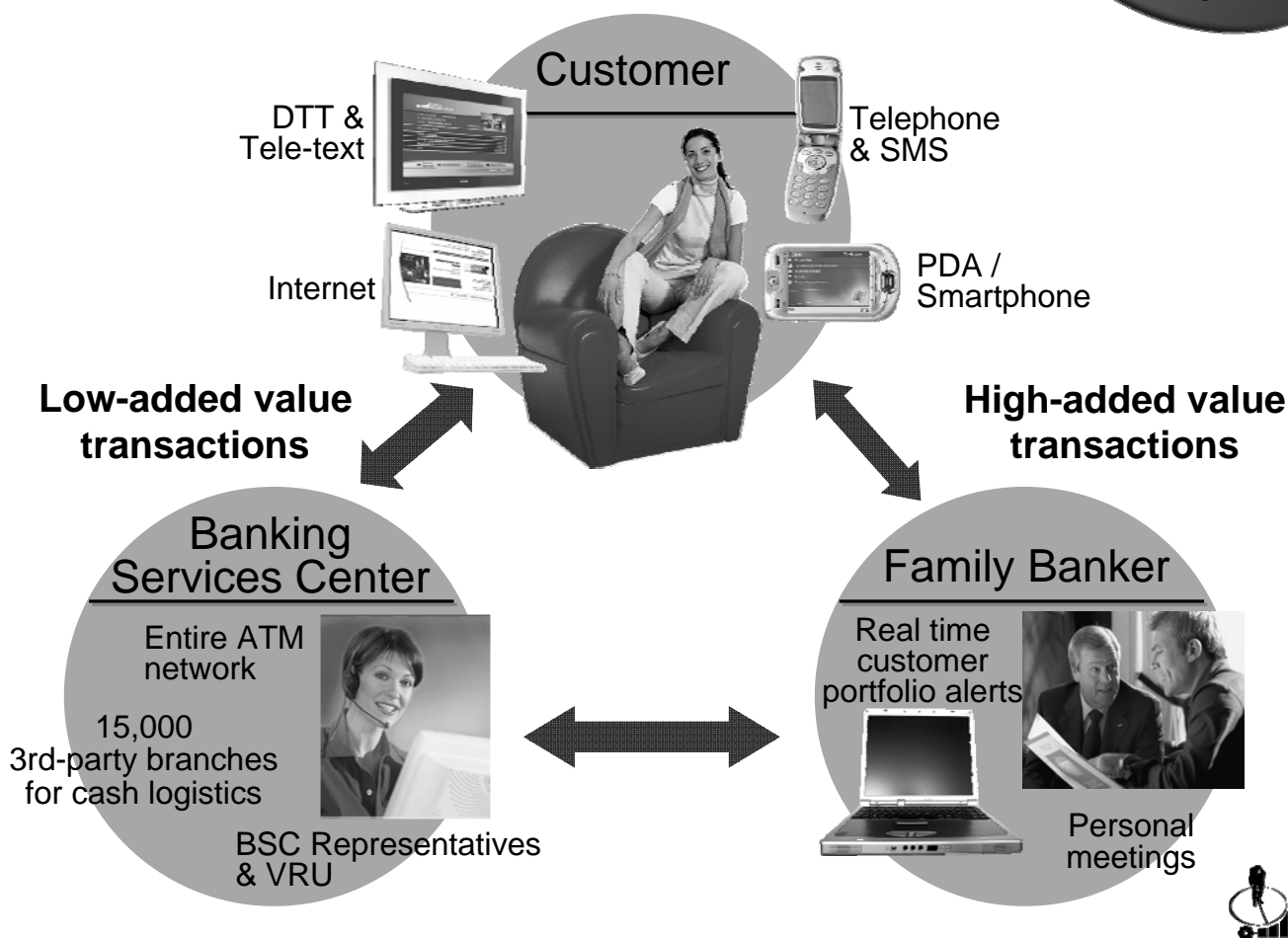
**the banking business as the key to asset growth**



# High-tech, high-touch

51

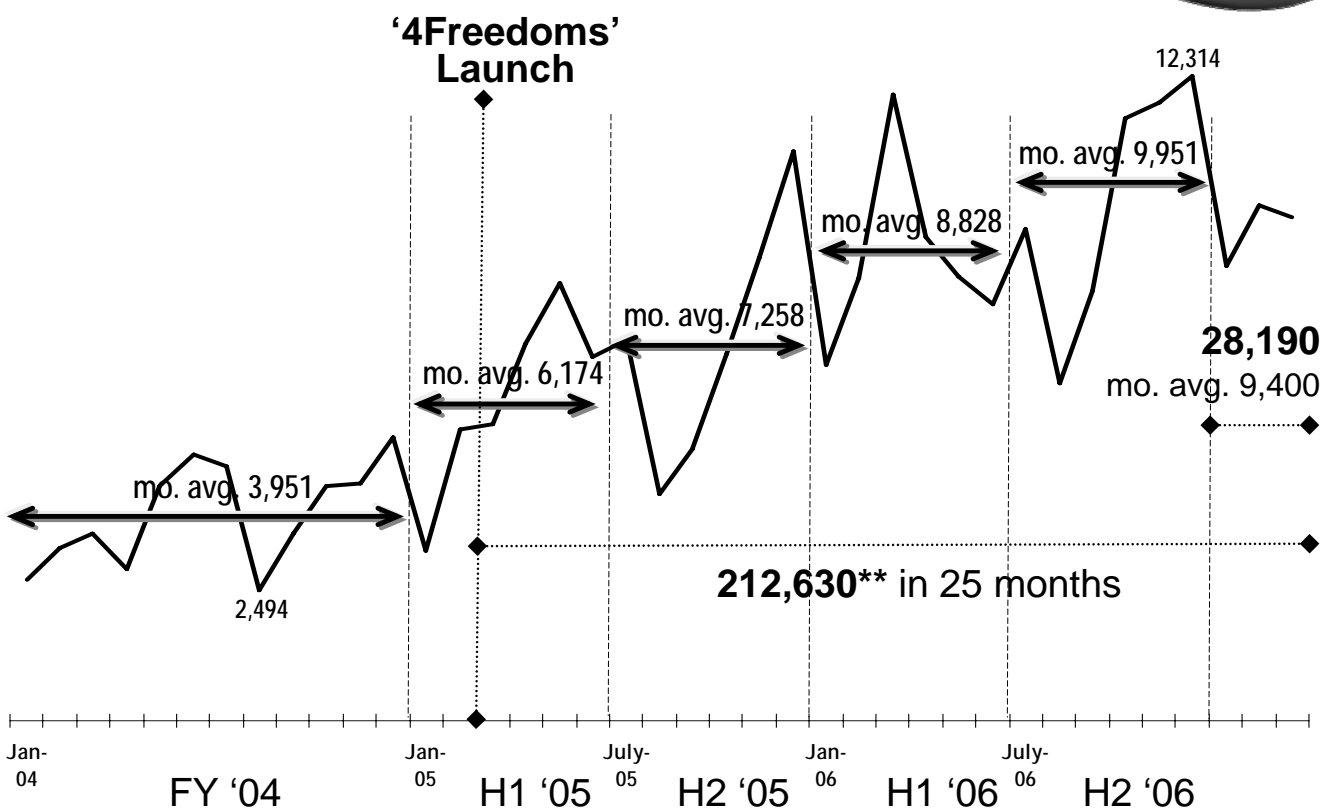
Growth  
Project  
Update



## New bank accounts trend\*

52

Growth  
Project  
Update



\* all account types, excluding conversions

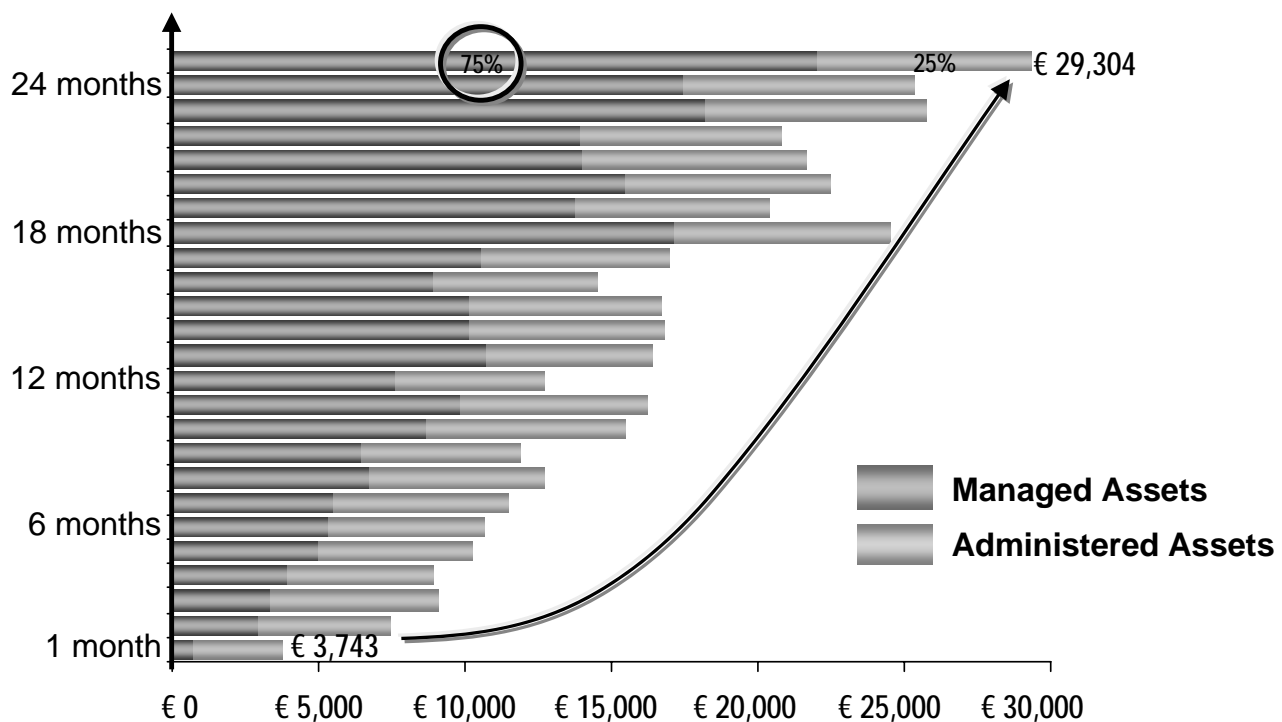
\*\* 65% opened by customers new to Mediolanum

# Average assets of bank customers

53

Growth  
Project  
Update

By length of time as account holder (as at 31/03/07)



## Account activation & asset growth

54

Growth  
Project  
Update

Account activation is key:  
assets of active new customers are 70% higher





New customers acquired Mar. 05 - Mar. 07

	number	%	Avg. Assets	Index 1
Non-active	46,500	38%	9,526 €	100
Active	75,300	62%	16,175 €	170
<b>TOTAL</b>	<b>121,800</b>	<b>100%</b>	<b>13,637 €</b>	<b>143</b>



## **‘ICoNA’: network recruiting project**

**New systematic recruiting approach  
centered on the image of the ‘Family Banker’**




-  Roll-out to the entire network completed in January 2007
-  Recruiting process strongly accelerated
-  Much higher quality of new hires (greater selection pool)
-  Priority #1 now on training,  
with a parallel slowdown on recruiting



## **Looking Forward**







# Pension Reform

-  **January 1<sup>st</sup>, 2007:** previous pension products **no longer qualified** to be underwritten
-  **By end of May:** all COVIP-compliant pension products will receive green light
-  **Employees** will be able to divert their funds into the new products starting **July 1<sup>st</sup>, 2007**



**H1 2007: modest volume in  
pension plan premium income**



-  'Tax Benefit New' pre-sales launched in March
-  U-L policy investing *directly* into properly designed Irish funds
-  Enhanced 'Life Cycle' feature & other sophisticated built-in mechanisms for investment optimisation
-  Designed with the aim of maintaining both high margins & competitiveness

**COVIP approval received**



## The initial feedback



Clear **priority** with our Family Bankers:  
to protect our current customers' TFR  
from the competition



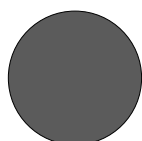
Our customers classified according to **clusters**  
depending on work status (employee or self-employed)  
& pension products currently owned



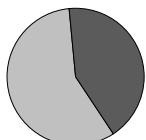
First step: contacting **employees**  
holding one of our pension products



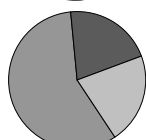
## The initial feedback



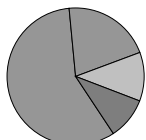
First Target:  
Employees holding a Mediolanum pension product  
**(160,000 clients)**



**67,000** of them contacted in March and April by their  
Family Banker to discuss the Pension Reform issue...



...half of which plan to leave TFR with their employer  
(the only choice that can be changed at any time)



**15,000** of the remaining clients  
have committed to Tax Benefit New



*plus 3,000 sign-ups by customers new to Mediolanum*

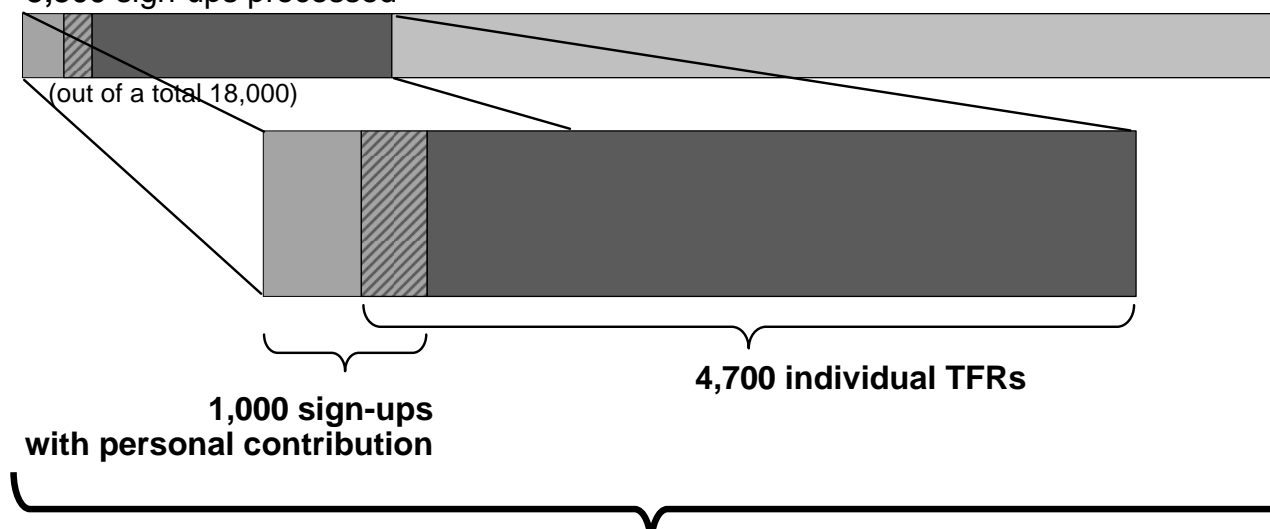
**=18,000 total sign-ups**



## The initial feedback

5,300 sign-ups processed

(out of a total 18,000)



**Total premiums written estimated at  
53 €mn\* on an annual basis**

\*assuming an average TFR per employee of €3,000 / yr.



## The next steps



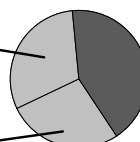
May & June: remaining customers  
in the high priority cluster will be contacted

First Target (160,000 customers)

Open Day at all 'Punti Mediolanum'  
planned to reach 40,000 clients

67,000 already contacted

The remaining ~50,000 will be contacted  
one by one by their Family Bankers



A projection including these customers  
would lead to an estimate of

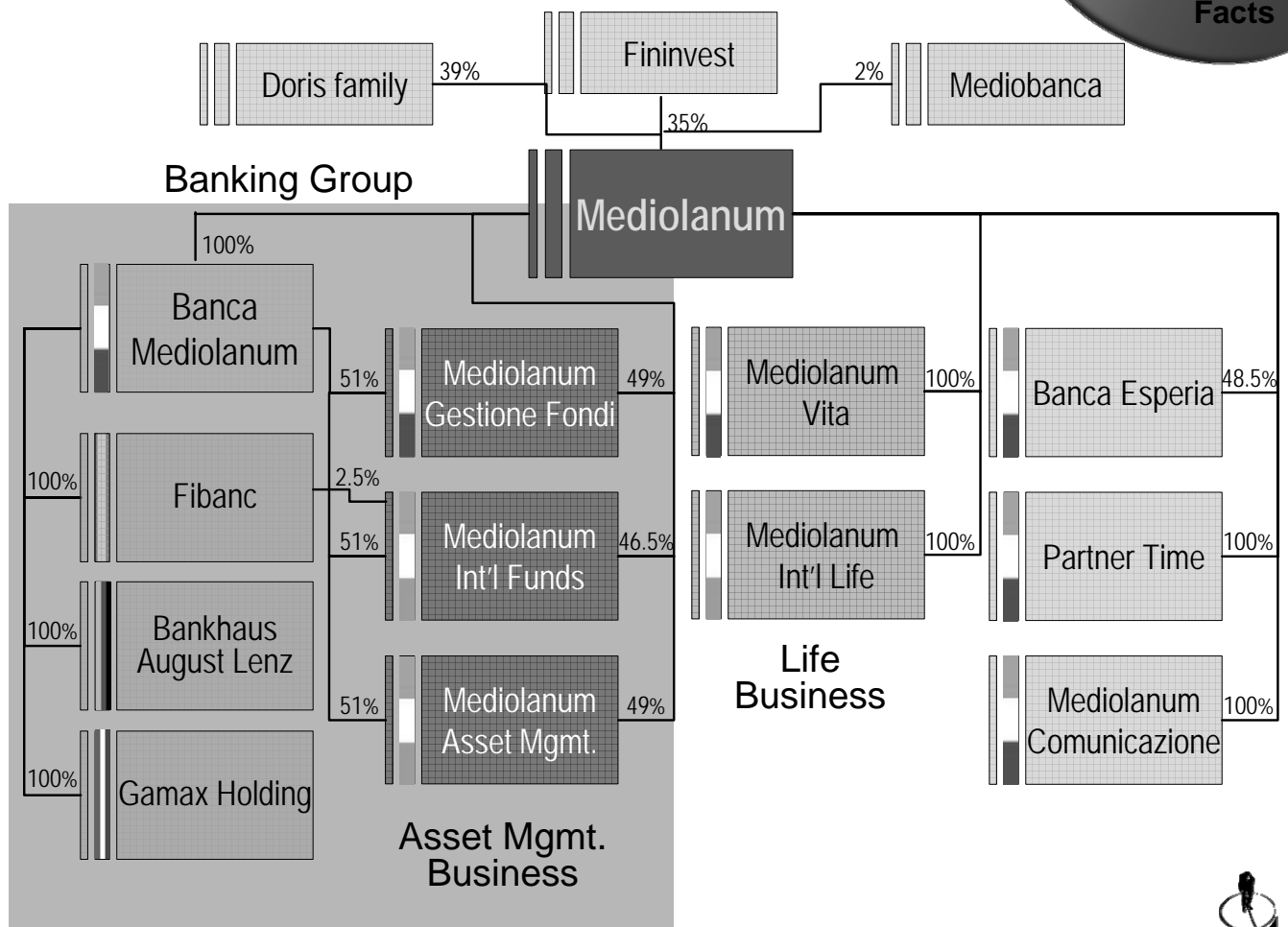
**35,200 total sign-ups  
> 100 €mn on an annual basis**



# Mediolanum Facts



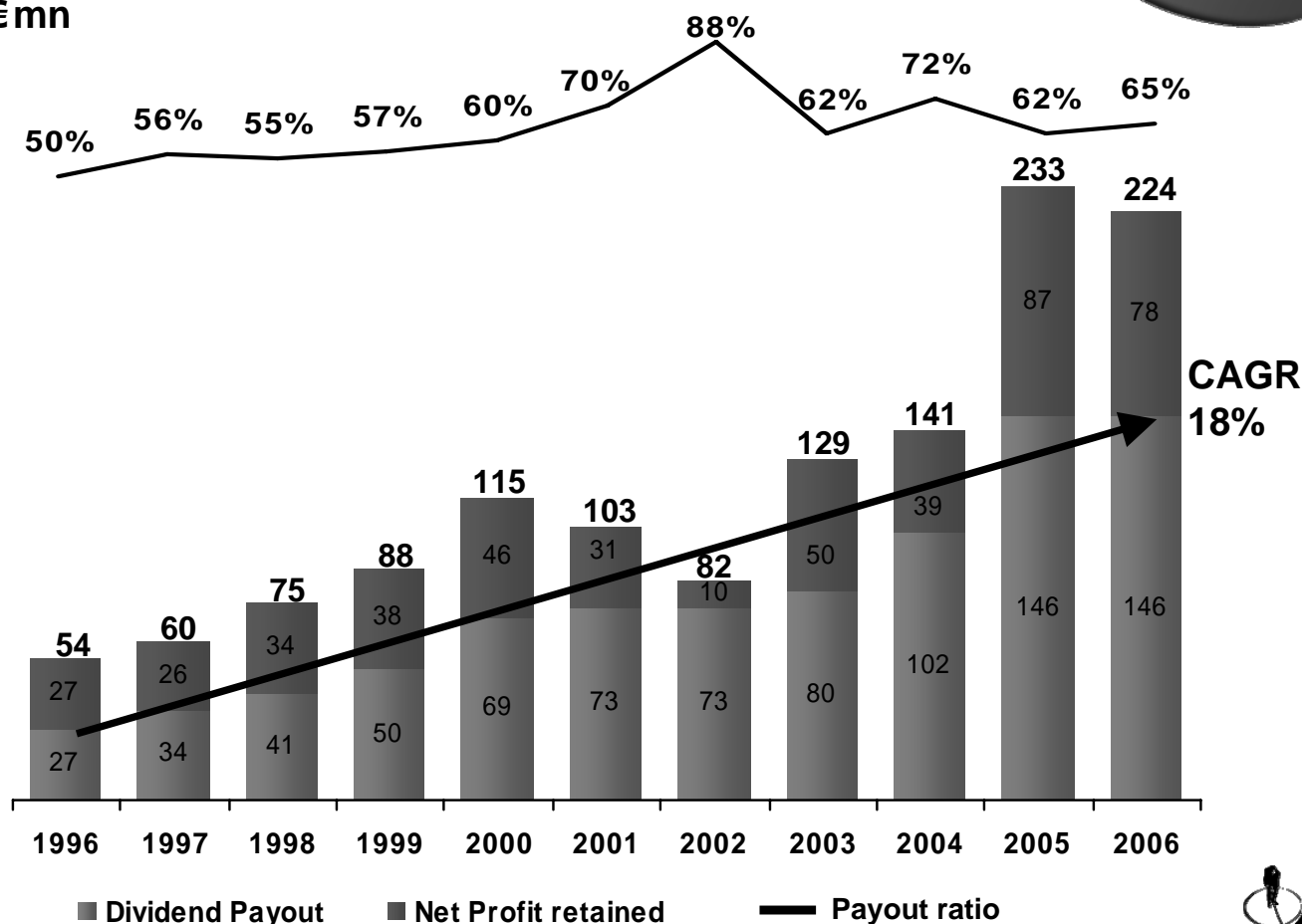
## Mediolanum Group Structure





# Dividend payout 10-year CAGR

€mn



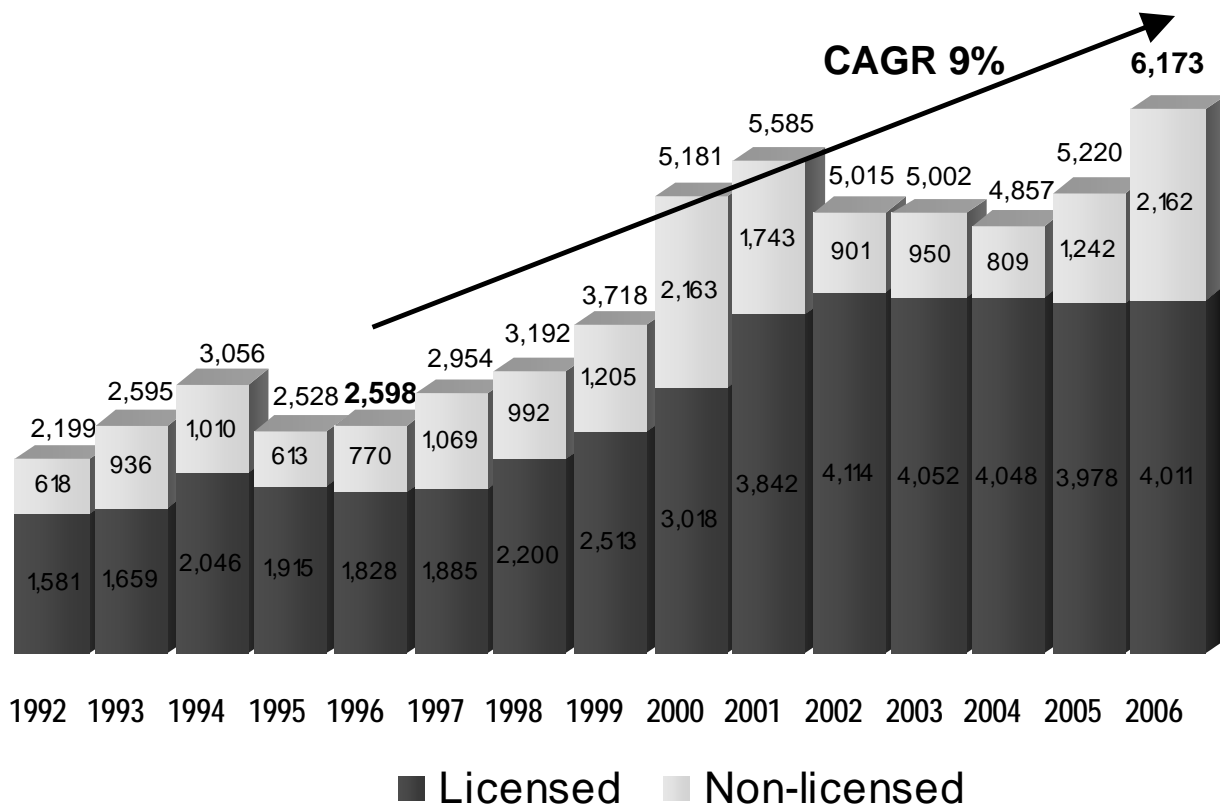
# Total return index\* 10-year CAGR



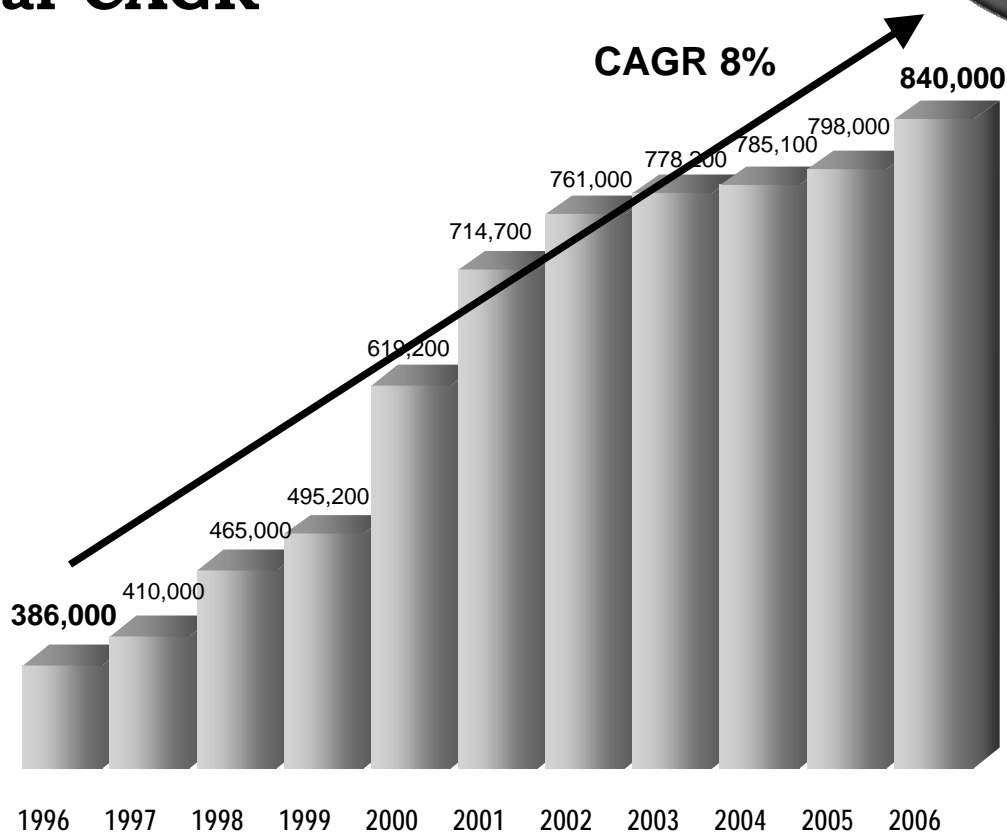
\* Total returns to shareholders, June 3, 1996 – March 1, 2007  
Index = 100 (June 3, 1996)



# Sales network 10-year CAGR



# Primary account holders 10-year CAGR



Recently surpassed 1 million total customers!!!



# Thank you!

## Any questions?



## New Advertising Campaign

**IO USO  
MEDIOLANUM  
PERCHÉ**

Più che online o tradizionale.

**Mediolanum è circolare. Perché è costruita intorno a te.**

Manzi

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