

MEDIOLANUM S.P.A.

*HALF-YEAR
RESULTS
AS AT JUNE 30,
2003*



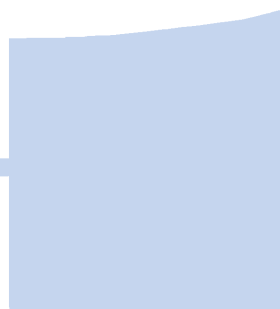
MEDIOLANUM
MEDIOLANUM GROUP

Summary

1	Half-Year Results as at June 30, 2003
2	Mediolanum S.p.A. Officers of the Company
4	Consolidated financial statements as at June 30, 2003
8	Notes to the consolidated financial statements as at June 30, 2003
53	Consolidated attachments
60	Mediolanum S.p.A. - Financial statements as at June 30, 2003
64	Attachments
71	Independent Auditor's Report on financial statements as at June 30, 2003
73	Determination of embedded value calculated by Tillinghast-Towers Perrin

MEDIOLANUM S.P.A.

*HALF-YEAR
RESULTS
AS AT JUNE 30,
2003*



MEDIOLANUM
MEDIOLANUM GROUP

Mediolanum S.p.A. Officers of the company

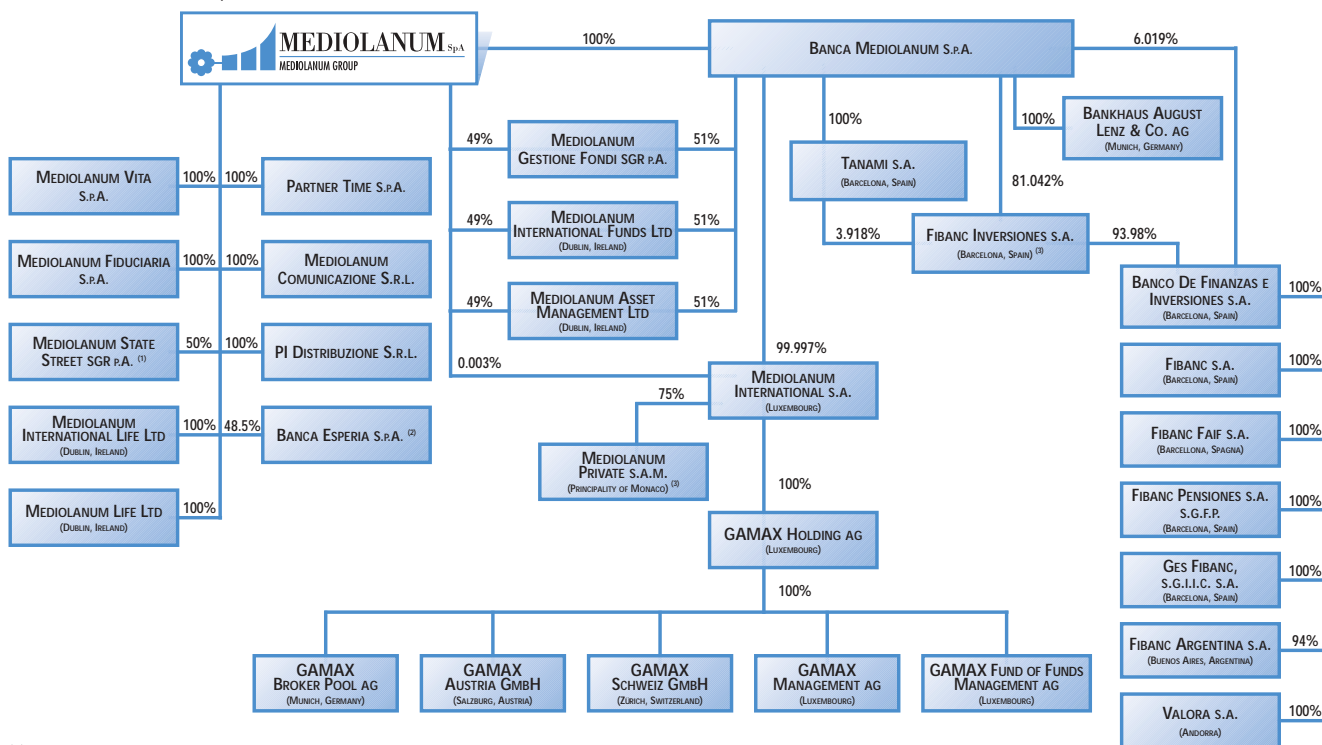
BOARD OF DIRECTORS	Roberto Ruozi	Chairman of the Board of Directors
	Alfredo Messina	Deputy Chairman
	Edoardo Lombardi	Executive Vice President
	Ennio Doris	Chief Executive Officer
	Marina Elvira Berlusconi	Director
	Pasquale Cannatelli	Director
	Massimo Antonio Doris	Director
	Mario Molteni	Director
	Angelo Renoldi	Director
	Paolo Sciumè	Director
	Claudio Sposito	Director
Antonio Zunino	Director	

BOARD OF STATUTORY AUDITORS	Arnaldo Mauri	Chairman of the Board of Statutory Auditors
	Achille Frattini	Statutory Auditor
	Francesco Antonio Giampaolo	Statutory Auditor
	Ferdinando Gatti	Alternate Statutory Auditor
	Francesco Vittadini	Alternate Statutory Auditor

SECRETARY TO THE BOARD Luca Maria Rovere

INDEPENDENT AUDITORS Reconta Ernst & Young S.p.A.

CORPORATE STRUCTURE UPDATED TO JUNE 30, 2003



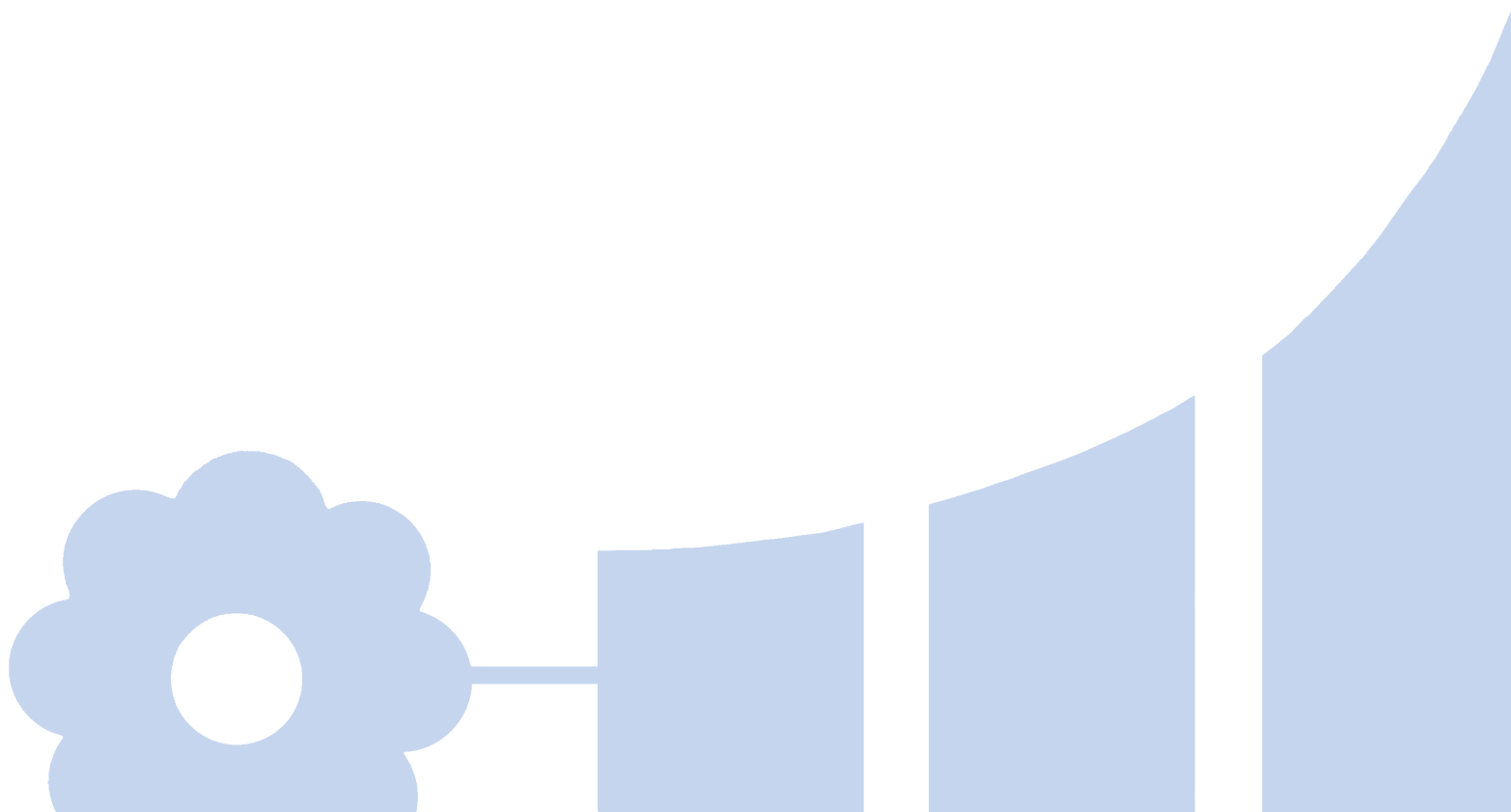
(1) As of March 22, 1999 the remaining 50% of the capital is held by State Street Bank Europe Ltd

(2) The remaining capital is held by third parties

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

MEDIOLANUM GROUP

*CONSOLIDATED
FINANCIAL STATEMENTS
AS AT JUNE 30,
2003*



Balance Sheet

ASSETS

	<i>Euro in thousands</i>	30.06.2003	31.12.2002	30.06.2002
A) Due from shareholders for share capital still to be paid in		0	0	0
B) Intangible assets				
1. Unamortised acquisition commissions		0	0	0
2. Other intangible assets		12,200	15,305	19,857
3. Consolidation difference		135	143	151
TOTAL INTANGIBLE ASSETS		12,335	15,448	20,008
C) Investments				
I - Land and buildings		71,140	71,588	74,663
II - Investments in Group companies and other shareholdings				
1. Shares and quotas		596,897	646,623	594,655
2. Bonds		0	0	0
3. Financial loans		179,277	1,291	103,626
TOTAL INVESTMENT IN GROUP COMPANIES AND OTHER SHAREHOLDINGS		776,174	647,914	698,281
III - Other financial investments				
1. Shares and quotas		2,880	2,790	3,393
2. Mutual fund shares		43,302	60,035	187,200
3. Bonds and other fixed income securities		846,234	1,063,319	1,024,540
4. Financial loans		15,917	16,268	16,621
5. Other financial investments		3,594	7,003	62,655
TOTAL OTHER FINANCIAL INVESTMENTS		911,927	1,149,415	1,294,409
IV - Funds held by ceding companies		0	0	0
TOTAL INVESTMENTS		1,759,241	1,868,917	2,067,353
D) Investments on behalf of life policyholders, carrying the risk and from pension fund management		6,087,766	5,353,526	4,953,216
D bis) Reinsurers' share of technical reserves				
I - Non-life		0	0	0
II - Life		116,376	132,953	174,100
(excluding reserves as per point III)				
III - Technical reserves when the risk is carried by policyholders and reserves from pension fund management		0	0	0
TOTAL REINSURERS' SHARE OF TECHNICAL RESERVES		116,376	132,953	174,100
E) RECEIVABLES				
I - Due from direct insurance operations		17,205	16,537	61,227
II - Due from reinsurance operations		1,319	0	1,362
III - Other receivables		109,726	81,174	40,804
TOTAL RECEIVABLES		128,250	97,711	103,393
F) Other assets				
I - Tangible assets		2,714	3,237	3,490
II - Liquid assets		278,352	368,855	415,269
III - Own shares or quotas		1,956	2,014	1,021
IV - Other assets		17	1,359	997
TOTAL OTHER ASSETS		283,039	375,465	420,777
G) Pre-payments and accrued income		14,790	14,619	11,700
TOTAL ASSETS		8,401,797	7,858,639	7,750,547

Euro in thousands

30.06.2003

31.12.2002

30.06.2002

**SHAREHOLDERS'
EQUITY AND
LIABILITIES****A) Capital and reserves**

I - Pertaining to the Group:			
1. Subscribed capital or equivalent	72,567	72,537	72,502
2. Net equity reserves	244,531	131,131	132,053
3. Consolidation reserve	112,485	118,388	118,389
4. Reserve for difference in valuation regarding shares in non-consolidated companies	1,394	99,210	99,209
5. Reserve for exchange rate difference	77	77	77
6. Reserves for own shares and shares of the parent company	1,956	2,014	1,021
7. Profit (loss) for the period	54,713	82,049	39,014
TOTAL GROUP SHAREHOLDERS' EQUITY	487,723	505,406	462,265
II - Minority interests			
1. Share capital and reserves	0	0	0
2. Profit (loss) for the period	0	0	0
TOTAL MINORITY INTERESTS	0	0	0
TOTAL CAPITAL AND RESERVES	487,723	505,406	462,265

B) Subordinated liabilities**C) Technical reserves**

I - NON-LIFE			
1. Premiums reserve	0	0	0
2. Claims reserve	0	0	0
3. Equalisation provision	0	0	0
4. Other	0	0	0
TOTAL NON-LIFE	0	0	0
II - LIFE			
1. Mathematical reserves	1,244,914	1,359,415	1,721,439
2. Reserve for amounts to be paid	32,975	52,800	32,975
3. Other	51,892	54,932	52,656
TOTAL LIFE	1,329,781	1,467,147	1,807,070
TOTAL TECHNICAL RESERVES	1,329,781	1,467,147	1,807,070

D) Technical reserves when the risk is carried

by policyholders and reserves from pension fund management	6,087,152	5,353,223	4,952,873
E) Provisions for risks and charges	38,512	19,049	16,837
F) Deposits received from reinsurers	113,707	126,814	172,087

G) Payables and other liabilities

I - Due to direct insurance operations	3,001	4,424	3,690
II - Due to reinsurance operations	1,596	6,695	2,086
III - Debenture loans	0	0	0
IV - Amounts owed to credit institutions	290,000	300,000	286,410
V - Other loans and other financial debt	1,830	0	0
VI - Employee termination indemnity	3,143	4,567	4,354
VII - Other liabilities	43,270	69,107	42,335
TOTAL PAYABLES AND OTHER LIABILITIES	342,840	384,793	338,875

H) Accruals and deferred income

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	8,401,797	7,858,639	7,750,547
---------------------------------------------------	------------------	------------------	------------------

Off-balance sheet items

I - Guarantees given	1,119	1,119	2,919
II - Guarantees given or received by third parties in the interest of companies included in consolidation	11,362	11,362	11,362
III - Obligations	9,155	55,300	0
IV - Pension fund assets managed on behalf of third parties	0	0	0
V - Other off-balance sheet items	8,227,224	7,268,161	6,580,415
TOTAL OFF-BALANCE SHEET ITEMS	8,248,860	7,335,942	6,594,696

Income statement

TECHNICAL ACCOUNT OF LIFE BUSINESS

<i>Euro in thousands</i>	30.06.2003	30.06.2002	31.12.2002
1. Earned premiums, net of reinsurance non-technical account	863,235	1,119,437	2,135,513
2. (+) Allocated investment return transferred from the non-technical account	20,588	31,860	56,579
3. Unrealised gains on investments on behalf of Life policyholders carrying the risk and from pension fund management	409,012	148,867	360,859
4. Other technical income, net of reinsurance	8,458	8,276	15,525
5. Claims incurred, net of amounts recovered and reinsurance	(325,582)	(409,028)	(942,579)
6. Change in mathematical reserves and other technical reserves, net of reinsurance			
a) Mathematical reserves, premium reserves of complementary insurance and other technical reserves	103,697	229,067	542,877
b) Life insurance reserves when the risk is carried by policyholders and from pension fund management	(733,737)	(340,884)	(742,235)
TOTAL CHANGE IN NET RESERVES	(630,040)	(111,817)	(199,358)
7. Refunds and profit sharing, net of reinsurance	0	0	0
8. Operating expenses			
a) Acquisition commissions net of reinsurers' commissions and profit sharing	(71,759)	(80,547)	(163,339)
b) Administrative expenses	(8,126)	(7,831)	(13,403)
TOTAL OPERATING EXPENSES	(79,885)	(88,378)	(176,742)
9. Unrealised loss on investments on behalf of life policyholders carrying the risk and from pension fund management	(248,868)	(662,145)	(1,194,367)
10. Other technical charges, net of reinsurance	(2,136)	(9,281)	(10,548)
11. Total technical account of Life business	14,782	27,791	44,882

Euro in thousands

30.06.2003 30.06.2002 31.12.2002

**NON-TECHNICAL
ACCOUNT**

	30.06.2003	30.06.2002	31.12.2002
1. Total technical account of non-Life business	0	0	0
2. Total technical account of Life business	14,782	27,791	44,882
3. Investment income			
a) Investment income	71,633	86,864	174,097
b) Adjustments to the value of financial investments	1,754	3,633	2,707
c) Gains on the realisation of investments	16,447	862	5,943
TOTAL INVESTMENT INCOME	89,834	91,359	182,747
4. Financial burden and losses on assets			
a) Investment management expense and interest on bank loans	(3,589)	(4,937)	(9,214)
b) Adjustments to the value of investments	(2,640)	(11,985)	(21,012)
c) Losses on the realisation of investments	(13,420)	(2,646)	(5,769)
TOTAL FINANCIAL BURDEN AND LOSSES ON ASSETS	(19,649)	(19,568)	(35,995)
5. (-) Allocated investment return transferred to the technical account of Life business	(20,588)	(31,860)	(56,579)
6. Other revenues	17,691	5,967	11,535
7. Other charges	(27,474)	(32,419)	(64,482)
8. Total ordinary operations	54,596	41,270	82,108
9. Extraordinary income	12,306	2,564	12,611
10. Extraordinary charges	(4,729)	(1,562)	(4,792)
11. Total extraordinary operations	7,577	1,002	7,819
12. Profit before taxes	62,173	42,272	89,927
13. Income tax for the period	(7,460)	(3,258)	(7,878)
14. Consolidated results	54,713	39,014	82,049
15. Profit (loss) for the year from minority interests	0	0	0
16. Group profit (loss) for the period	54,713	39,014	82,049

Explanatory and supplementary notes to the consolidated financial statements at June 30, 2003

A) INFORMATION ON OPERATIONS

This half-year report is drawn up according to the accounting method for insurance companies, that calls for consolidation on a line-by-line basis of companies involved in insurance or related business, while evaluating with the equity method the other Group companies, in particular those carrying out banking and asset management activities. Nonetheless, as in the annual financial statements, we deemed it appropriate to provide a clear, overall profile of the Group activities; therefore, reference is made to the consolidated Income statement of the Mediolanum Group which, according to the consolidation method on a line-by-line basis, also includes the financial statements of controlled companies excluded from consolidation according to the accounting method for insurance companies, in particular Banca Mediolanum S.p.A. financial statements and those of companies carrying out asset management activities.

CONSOLIDATED VALUES ACCORDING TO THE ACCOUNTING METHOD FOR INSURANCE COMPANIES

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 were consolidated on a line-by-line basis.

The controlled companies Mediolanum Gestione Fondi SGR p.A., Mediolanum International Funds Ltd, Mediolanum Asset Management Ltd, Mediolanum State Street SGR p.A., PI Distribuzione S.r.l., Mediolanum Comunicazione S.r.l., Mediolanum Fiduciaria S.p.A., as well as Banca Mediolanum S.p.A., and indirectly its controlled companies Bankhaus August Lenz & Co. AG, Tanami S.A. and the companies belonging to the Fibanc Group, Mediolanum International S.A., and its controlled companies Mediolanum Private S.A.M. and the Gamax Group companies, were consolidated using the equity method. The controlled company Mediolanum Life Ltd was valued at cost as it is not operational.

The associated company Banca Esperia S.p.A. and its controlled companies were valued using the equity method.

PERFORMANCE OF THE GROUP

The macro-economic scene in the first months of 2003 was characterised by a marked weakness in all geographical areas, and financial markets only started to show significant signs of recovery in the second part of this half-year.

Nonetheless, the difficult economic scene did not prevent the Mediolanum Group from obtaining significant consolidated results, with a net profit for the

half-year totalling 54,713 thousand euro, a 40.2% increase over the same period in the previous year (30.06.2002: 39,014 thousand euro).

The main factors determining this exceptional result were the reinstating of interest margins on current accounts, the higher net profits on investment associated with traditional reserves, and fund management commissions originating from the significant market growth in the second quarter of the year.

Since the signs of recovery observed during this half-year were not immediately perceived by depositors, shrinking gross inflows were registered, particularly in the first months of the year, but there was a partial recovery in the second quarter.

Net inflows from mutual funds were positive in every month of the half-year, strongly contributing to the growth of assets under administration.

Assets under administration at June 30, 2003 totalled 22,102.7 million euro, a 4.9% increase over the same period in 2002 (21,078 million euro, net of repurchase agreements with institutional clients for 455 million euro) and a 5.2% increase compared to December 31, 2002 (21,014.3 million euro).

The generalised climate of uncertainty led to a fall in demand in relation to consumption and investments, as well as to a decrease in manufacturing and employment, resulting in pressure to lower the price of manufactured products, and in a manifest deflation risk.

This climate of uncertainty was also influenced by the geopolitical tensions which culminated in the military intervention in Iraq and the ensuing skyrocketing oil prices.

The reaction of depositors was an increase in the risk premium, investors fled from stock investments, considering them too risky, while significant flows of savings were channelled towards monetary and debenture investments, in an attempt to find secure profits.

The short duration and the outcome of the Iraqi war and the easing monetary manoeuvres implemented in June by both the Federal Reserve and the European Central Bank - bringing official rates to 1% in the United States and 2% in Europe, the lowest since World War Two - contributed to foster, in the last few months, a climate of renewed trust, and to enable stock markets, in particular, to restore a moderately positive trend reflecting the future economic growth expectations.

THE MARKETS IN WHICH THE GROUP OPERATES

Demand is starting to regain ground in the United States, indexes of confidence and early signs definitely improved in May and June; Asia overcame the effects of the SARS epidemics, and in particular, the Japanese market is clearly rebounding, whereas in Europe it is still lagging slightly behind.

PERFORMANCE OF THE SECTORS WHERE THE GROUP OPERATES

In order to facilitate a comparison with the previous periods' results and to better understand the managerial aspects within the Mediolanum Group, the commentary on the half-year performance has been divided into two sections: the former is devoted to the performance in the markets where the Group has consolidated its presence (the so-called "core business"), relating to the companies historically belonging to the Mediolanum Group (mainly Banca Mediolanum S.p.A., Mediolanum Gestione Fondi SGR p.A., Mediolanum International Funds Ltd, Mediolanum Asset Management Ltd, Mediolanum Vita S.p.A.), and the latter considers the new ventures intended to enhance the Group's presence abroad and in new business segments (relating to the activity of the companies belonging to the Fibanc Group, Mediolanum International S.A., the Gamax Group, Banca Esperia S.p.A., Mediolanum International Life Ltd, Mediolanum Private S.A.M., and Bankhaus August Lenz & Co. AG).

MEDIOLANUM GROUP EXCLUDING NEW VENTURES (CORE BUSINESS)

THE BANKING MARKET

Banca Mediolanum S.p.A. closed the first half-year 2003 with a profit for the period of 3,230 thousand euro, as against 282 thousand euro in the first half-year 2002. As at June 30, 2003, there were 332,727 current accounts, a 2.9% increase over the same period in the previous year (30.06.2002: 323,409; 31.12.2002: 339,993). The number of current account holders as at June 30, 2003 was approximately 766,000, a 3% increase over the same period in the previous year (30.06.2002: 743,900; 31.12.2002: 761,000). Cash deposits at half-year end totalled 2,779.4 million euro, a 6.7% increase over the values of the first half-year 2002 and a slight 3.2% decrease compared to end-of-year results (30.06.2002: 2,604 million euro; 31.12.2002: 2,871.7 million euro).

Assets under administration, including subordinated loans, totalled 5,169.9 million euro, a 6% increase over June 30, 2002, and a 1.5% increase over December 31, 2002 (30.06.2002: 4,877.4 million euro, net of repurchase agreements with institutional customers for 455 million euro; 31.12.2002: 5,094.6 million euro).

As regards the profitability of the Bank, the interest margin is 24,661 thousand euro, a significant 173% increase over the previous year (9,028 thousand euro). This result is a consequence of the new policy with regard to client current account remuneration, together with the criteria adopted by the market, though with even higher rates to clients.

The brokerage margin also grew by 37.12%, reaching 78,852 thousand euro (30.06.2002: 57,507 thousand euro).

Net profits of companies operating in the banking field in which investments are held (valued on an equity basis):

<i>Euro in thousands</i>	30.06.2003	30.06.2002	31.12.2002
Banca Mediolanum S.p.A.	3,230	282	58,815

Banca Mediolanum S.p.A.'s results at December 31, 2002 include the dividends from directly controlled companies, referring to profits at December 31, 2002 accounted for on an accruals basis for 66,513 thousand euro.

Total gross inflows for the mutual fund and managed account business came to 821 million euro, a 55.4% decrease over the same period in the previous year (30.06.2002: 1,481 million euro), whereas net inflows were 320 million euro, with a 3.3% decrease (30.06.2002: 331 million euro). Total assets under administration were 9,090.3 million euro, with an increase, respectively, of 1.3% when comparing figures at 30.06.2002, and of 8.1% compared with 31.12.2002 figures (30.06.2002: 8,976.0 million euro; 31.12.2002: 8,411.9 million euro).

**MUTUAL FUNDS AND
MANAGED ACCOUNTS**

Net profits of companies operating in the “management field” in which investments are held (valued on an equity basis):

<i>Euro in thousands</i>	30.06.2003	30.06.2002	31.12.2002
Mediolanum Gestione Fondi SGR p.A.	1,827	3,741	6,658
Mediolanum International Funds Ltd	55,266	54,322	118,469

The decreased earnings of Mediolanum Gestione Fondi SGR p.A. mostly relate to an appreciably lower value of managed assets and, at the same time, a customer preference that is shifting towards monetary products.

Mediolanum International Funds Ltd, on the other hand, managed to obtain better results, in line with those of the previous year.

THE LIFE BUSINESS

Total Life premiums written in the half-year came to 836 million euro, a 25% decrease compared to the same period in the previous year (30.06.2002: 1,114 million euro).

Single premiums decreased in the half-year, passing from 732 thousand euro in the first half-year 2002 to 429 thousand euro, with a consequent reduction in new business premiums to 485 million euro, compared to 793 million euro in the same period of the previous year.

New business is progressively rising; volumes in the second quarter 2003 show an 11% increase over the previous quarter.

Life reserves totalled 7,366.9 million euro (30.06.2002: 6,745 million euro, +9.2%; 31.12.2002: 6,796.3 million euro, +8.4%).

Mediolanum Vita S.p.A. closed the first half-year 2003 with a brilliant result of 15,605 thousand euro (30.06.2002: 3,862 thousand euro). The positive half-year result mainly relates to higher net profits on investments related to traditional reserves.

Mediolanum Vita S.p.A. relies, for the placing of its products, on the network of financial advisors of Banca Mediolanum S.p.A., and the network of insurance agents of Partner Time S.p.A..

Net profits for the period of companies operating in the Life insurance sector in which investments are held (valued on a line-by-line basis):

<i>Euro in thousands</i>	30.06.2003	30.06.2002	31.12.2002
Mediolanum Vita S.p.A.	15,625	3,862	6,965
Partner Time S.p.A.	904	1,944	4,317

The half-year results of Partner Time S.p.A. were influenced by a decrease in policy placing, with new premiums written moving from 5.6 million euro in the first half-year 2002 to approximately 4 million euro at June 30, 2003. Management costs did not decrease as much, due in particular to the effect of the investments made in the previous years for the upgrading of IT instruments.

OTHER PRODUCTS

In the first half-year 2003, the distribution of home loans by the Italian branch of Abbey National Bank Plc totalled about 106 million euro (30.06.2002: 89 million euro).

Profits for the period of other companies (valued on an equity basis):

<i>Euro in thousands</i>	30.06.2003	30.06.2002	31.12.2002
Mediolanum State Street SGR p.A.	358	(71)	212
Mediolanum Asset Management Ltd	939	973	1,619
Mediolanum Comunicazione S.r.l.	42	(129)	11
Mediolanum Fiduciaria S.p.A.	(14)	(11)	(1)
PI Distribuzione S.r.l.	23	(49)	3

At June 30, 2003, the consolidated results of the Fibanc Group were 460 thousand euro, a significant increase over the same period in the previous year (13 thousand euro), partly due to the benefits derived from the collaborative operations with the Mediolanum Group.

Collaborative operations at a Group level made it possible to redefine the Fibanc Group structure, which moved from 316 employees at December 31, 2002 to 264 employees at June 30, 2003.

The ongoing process of sales network reorganisation, main objective of which is to increase the number of *Global Advisors* present in the structure, resulted in the half-year in an actual increase in the number of global advisors, which increased from 217 in the first half-year 2002 to 260 at June 30, 2003.

At June 30, 2003, the sales network consists of 405 advisors, a 19% increase over the previous year (340 advisors).

As regards the *introducer* figures, deemed non-strategic for the implementation of the Mediolanum model, relations are gradually being terminated, moving from 283 to 115 figures at June 30, 2003.

Volumes of the Fibanc Group

<i>Euro in millions</i>	30.06.2003	30.06.2002	31.12.2002
Assets under administration	1,944	1,847	1,788
Gross inflows	256	76	353
Net inflows	65	(54)	59

Employees

<i>Unit</i>	30.06.2003	30.06.2002	31.12.2002
Clerical personnel	246	296	297
Managers	18	19	19
TOTAL	264	315	316

Net profit of the Fibanc Group

<i>Euro in thousands</i>	30.06.2003	30.06.2002	31.12.2002
Fibanc Group	460	13	328

NEW VENTURES

THE FIBANC GROUP

**MEDIOLANUM
INTERNATIONAL S.A.**

The Luxembourg-based company carries out sub-holding activities, coordinating the business of the companies it directly controls: Mediolanum Private S.A.M. and the German Group headed by the company Gamax Holding AG.

Net profit of Mediolanum International S.A.

<i>Euro in thousands</i>	30.06.2003	30.06.2002	31.12.2002
Mediolanum International S.A.	(190)	(10)	11

GAMAX GROUP

The Gamax Group consists of a holding with an interest in two fund management companies in Luxembourg, and two distribution companies in Germany (based in Munich) and Austria (based in Salzburg).

During the half-year, with a view to creating collaborative operations with the affiliated company Bankhaus August Lenz, Gamax Brooker Pool AG, the German distribution company, left the historic headquarters of Leverkusen to move to Munich. Following this transfer, approximately 20 employees at the Leverkusen premises decided to quit the company and, thanks to the existing collaboration with the affiliated company Bankhaus August Lenz, it was not necessary to hire new staff.

A decrease was registered in the gross and net inflows of the Group, mainly due to the continuing unsatisfactory trends in the German and Austrian markets.

The distribution companies continued to place the funds and insurance products of the Irish affiliated companies on the German market, and recently obtained authorisation to distribute in Germany the Fund of Funds "Gamax Fund of Funds", managed by the Luxembourg company of the same name.

The sales network at June 30, 2003 consists of 892 multifirm agents (1,104 agents at December 31, 2002). To support the consulting activities, conventions and training meetings were organised on Mediolanum products and innovations; in the next few months, the sales force will be able to take advantage of communication tools such as TV programs and videos.

Volumes of the Gamax Group

<i>Euro in millions</i>	30.06.2003	30.06.2002	31.12.2002
Assets under administration	420	516	427
Gross inflows	51	60	110
Net inflows	(8)	30	23

Employees

<i>Unit</i>	30.06.2003	30.06.2002	31.12.2002
Clerical personnel	18	40	43
Managers	5	4	7
TOTAL	23	44	50

Net profit of the Gamax Group

<i>Euro in thousands</i>	30.06.2003	30.06.2002	31.12.2002
Gamax Group	(708)	(1,026)	(2,057)

This company, based in the Principality of Monaco, is 75% controlled by Mediolanum International S.A.; the remaining 25% is held by Compagnie Monégasque de Banque. Corporate activity started in the second half-year 2002, and it is therefore not possible to compare this half-year's data and results with those of the same period in the previous year.

MEDIOLANUM PRIVATE
S.A.M.

The operational structure is supported by 1 manager and 1 employee.

Volumes of Mediolanum Private S.A.M.

<i>Euro in millions</i>	30.06.2003	31.12.2002
Assets under administration	9	7
Gross inflows	4	9
Net inflows	3	8

Net profit of Mediolanum Private S.A.M.

<i>Euro in thousands</i>	30.06.2003	31.12.2002
Mediolanum Private S.A.M.	(243)	(18)

Bankhaus August Lenz & Co is a multi-channel bank, based in Munich, reproducing the Banca Mediolanum model in the German market.

BANKHAUS AUGUST LENZ
& Co. AG

The banking activity of the company, which started up in the second half of 2002, is progressively developing. At June 30, 2003 there were 1,234 current accounts.

During the half-year, the placing of the funds and insurance products of the Irish companies, Mediolanum International Funds Ltd and Mediolanum International Life Ltd, continued.

The sales network is constantly developing, reaching 84 exclusive agents at half-year end (31.12.2002: 36 agents); so far, these have been recruited in the Munich-Hamburg-Frankfurt areas with a view to providing full coverage of the areas of greatest interest. In order to enhance national coverage, the first training and promotion meetings were organised throughout the German territory, to guarantee a uniform development of the sales network.

Net profit of Bankhaus August Lenz & Co. AG

<i>Euro in thousands</i>	30.06.2003	30.06.2002	31.12.2002
Bankhaus August Lenz & Co. AG	(3,914)	(671)	(3,633)

The half-year results were influenced by the start-up costs related to the significant investments in technical and organisational infrastructures for the development of multi-channel model banking activity.

In the half-year, employees numbers reached 25, compared to 4 as at June 30, 2002.

The company started operations during the second half-year 2002, and it is therefore not possible to compare this half-year's data and results with those of the same period in the previous year.

Volumes of Bankhaus August Lenz & Co. AG

<i>Euro in millions</i>	30.06.2003	30.06.2002	31.12.2002
Assets under administration	4.5	n.d.	0.5
Gross inflows	4.6	n.d.	0.6
Net inflows	4.6	n.d.	0.6

Employees

<i>Unit</i>	30.06.2003	30.06.2002	31.12.2002
Clerical personnel	23	1	14
Managers	2	3	2
TOTAL	25	4	16

MEDIOLANUM
INTERNATIONAL LIFE LTD

In 2003 the placing of the company's products intensified, on the Spanish market through the Fibanc Group network, and on the German market through the Gamax Group and the Bankhaus August Lenz & Co. AG networks.

As at June 30, 2003, gross premiums totalled 30,619 thousand euro (30.06.2002: 10,391 thousand euro), and assets were 50 million euro (30.06.2002: 14 million euro).

Net profit of Mediolanum International Life Ltd

<i>Euro in thousand</i>	30.06.2003	30.06.2002	31.12.2002
Mediolanum International Life Ltd	(460)	(668)	(1,112)

Banca Esperia S.p.A., a joint-venture (50-50) between Mediobanca and Mediolanum operating in the Private Banking sector, heads a banking group that includes a fund management company, Duemme SGR p.A., and a hedge fund management company, Duemme Hedge SGR p.A..

BANCA ESPERIA GROUP

Banca Esperia focuses its activity on the integrated management of major family assets through a highly customised service. There are four main strands of the private banking service: portfolio management, consulting and financing, and services.

During the first half-year 2003, the number of private bankers reached 35 (31.12.2002: 30).

The analysis of data at June 30, 2003, in spite of negative period results, shows a significant increase in both assets under administration and gross inflows, thus confirming a progressive development of the Esperia Group activities.

Volumes of the Banking Group Banca Esperia

<i>Euro in millions</i>	30.06.2003	30.06.2002	31.12.2002
Assets under administration *	3,612	2,201	2,859
Gross inflows	1,463	898	1,754
Net inflows	481	541	899

(*) The value of hedge funds and assets managed net of SICAV subscribed by Banca Esperia clients within individual management programs totalled 2,454 million euro.

Net profit of the Banking Group Banca Esperia

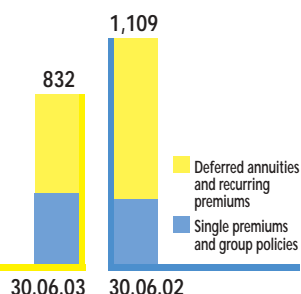
<i>Euro in thousands</i>	30.06.2003	30.06.2002	31.12.2002
Banca Esperia Group	(3,357)	(4,500)	(7,121)

VOLUME

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

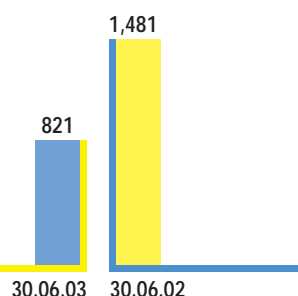
SALES LIFE (CORE BUSINESS)

Total premiums (Euro millions)



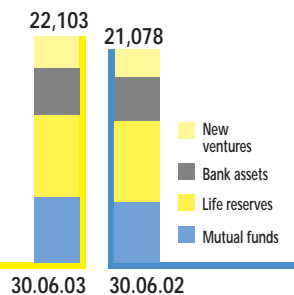
SALES FUNDS (CORE BUSINESS)

Total sales gross (Euro millions)



ASSET UNDER ADMINISTRATION

(Euro millions)



Inflows of managed accounts products

Euro in millions	30.06.2003	30.06.2002	% change	31.12.2002
The "core business"				
Life insurance business				
<i>New business</i>				
- Deferred annuities and recurring premiums	56	62	(9.7)	131
- Single premiums and group policies	429	732	(41.4)	1,283
TOTAL NEW BUSINESS	485	793	(38.8)	1,414
<i>In-force business</i>				
- Deferred annuities	302	280	7.9	615
- Recurring single premiums	49	41	19.5	94
TOTAL IN-FORCE BUSINESS	351	321	9.4	709
Total premiums written	836	1,114	(25)	2,123
(less) Premiums ceded	(4)	(5)	(20)	(10)
TOTAL LIFE PREMIUMS	832	1,109	(25)	2,113
Financial products				
<i>Mutual accounts funds and managed accounts</i>				
- Gross consolidated inflows	821	1,481	(44.6)	2,246
- Net consolidated inflows	320	331	(3.3)	557
<i>"New ventures" (*)</i>				
Life insurance products				
<i>New business</i>				
- Single premiums	31	10	200	23
Financial products				
<i>Mutual accounts funds and managed accounts</i>				
- Gross consolidated inflows	675	478	41.2	804
- Net consolidated inflows	231	206	12.1	259

(*) Results pertaining to Banca Esperia were considered in proportion to the holding

Consolidated assets under administration

Euro in millions	30.06.2003	30.06.2002	% change	31.12.2002
Life reserves	7,367	6,745	9.2	6,796
Mutual funds and managed accounts	9,090	8,976	1.3	8,412
Direct and in direct bank inflows	5,170	4,877	6.0	5,095
Pension funds	165	494	(66.6)	491
Consolidation adjustments	(3,257)	(3,130)	4.1	(3,090)
TOTAL "CORE BUSINESS"	18,535	17,962	3.2	17,704
Fibanc assets under administration (*)	1,944	1,847	5.3	1,788
Gamax assets under administration	420	517	(18.8)	427
Bankhaus A. Lenz assets under administration	5	n.a.	n.a.	1
Banca Esperia assets under administration (**)	1,190	745	59.7	1,087
Mediolanum Private assets under administration	9	7	28.6	7
TOTAL "NEW VENTURES"	3,568	3,116	14.5	3,310
MEDIOLANUM GROUP TOTAL	22,103	21,078	4.9	21,014

(*) The result includes the value of assets managed by Mediolanum International Life Ltd and placed through the Fibanc network for 46.2 million euro (31.12.2002: 19.9 million euro)

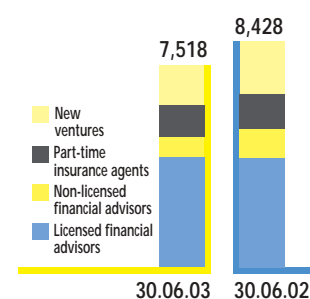
(**) Results pertaining to Banca Esperia were considered in proportion to the holding

The sales network

Unit	30.06.2003	30.06.2002	31.12.2002
Licensed financial advisors (Banca Mediolanum)	4,130	4,086	4,114
Non-licensed financial advisors (Banca Mediolanum)	725	1,064	901
Partner Time insurance agents	1,167	1,281	1,402
TOTAL "CORE BUSINESS"	6,022	6,431	6,417
Fibanc network (*)	520	623	663
Gamax network	892	1,374	1,104
Bankhaus August Lenz & Co. AG network	84	0	63
TOTAL "NEW VENTURES"	1,496	1,997	1,803
MEDIOLANUM GROUP TOTAL	7,518	8,428	8,220

(*) of whom 8 are commercial employees (at 30.06.2002: 35; at 31.12.2002: 31)

THE SALES NETWORK



There was an overall reduction in the sales network. In particular, the Banca Mediolanum network moved from 5,150 to 4,855 people (-5.7%) on an annual basis. This decrease specifically involved non-licensed financial advisors (339 on an annual basis); 263 people were transferred to the category of financial advisor after passing the relevant examination, while the other mainly relates to dismissal of the less productive resources.

In the first half-year 2003, the program intended to strengthen the Group presence over the Italian territory was implemented through the opening of 14 new "Mediolanum Points", bringing their number to 91 at the end of the period. These offices, characterised by a uniform layout, provide financial consultancy services to Mediolanum clients.

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' 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

EMBEDDED VALUE

margins. The results of such a valuation at June 30, 2003, along with the results of the Mediolanum Group referring to December 31, 2002 and June 30, 2002 are shown in the following table:

Embedded value

<i>Euro in millions</i>	30.06.2003	31.12.2002	30.06.2002
Shareholders' net assets	493	508	458
Value of in-force Life business	1,232	1,168	1,147
Value of in-force mutual funds and managed accounts	303	296	348
EMBEDDED VALUE INCLUDING ACQUISITION GOODWILL	2,028	1,972	1,953
Residual Fibanc, Gamax, Bankhaus A. Lenz and MILL goodwill	(147)	(156)	(167)
EMBEDDED VALUE EXCLUDING ACQUISITION GOODWILL	1,881	1,816	1,786

For the purposes of determining embedded value as at June 30, 2003, some of the economic assumptions applied for the year closing at December 31, 2002 were changed, in particular: the benchmark yield rate of ten-year Government securities was changed (4.0% at June 30, 2003, 4.5% at December 31, 2002 and 5.20% at June 30, 2002) as well as the discounting back rate (6.75% at June 30, 2003, against 7.25% at December 31, 2002 and 7.75% at June 30, 2002). In order to evaluate the effect of applying different discounting back rates, the embedded value for the group at June 30, 2003 was determined at 1,952 million euro and 1,815 million euro applying discounting back rates of 6.25% and 7.25%, respectively.

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

<i>Euro in millions</i>	30.06.2003	31.12.2002	30.06.2002
Change in embedded value for the year	56	55	36
Goodwill amortisation quota	9	20	10
Dividends paid	72	72	72
EMBEDDED VALUE FOR THE PERIOD BEFORE ACQUISITIONS	137	147	118
Effect of acquisitions in the period (*)	-	(27)	(28)
EMBEDDED VALUE EARNINGS FOR THE PERIOD AFTER ACQUISITIONS	137	120	90

(*) For the year 2002, this related to the increase in the interest held in Fibanc Inversiones and the acquisition of Bankhaus August Lenz

The following table illustrates, with reference to the Mediolanum Group, the main embedded value components for the first half-year 2003, compared to those of the year 2002 and the first half-year 2002.

<i>Euro in millions</i>	30.06.2003	31.12.2002	30.06.2002
Expected return	59	126	59
Experience variations	26	(265)	(84)
Operating assumption variations	-	111	18
Economic assumption variations	(21)	(62)	-
Tax assumption variations	-	1	-
EARNINGS ON INITIAL EMBEDDED VALUE	64	(89)	(7)
Value of conversion from funds (into mix funds and managed accounts in fund units)	-	(16)	(14)
Value of investments in mix funds and managed accounts in fund units	-	35	29
Net result of fund conversion	-	19	15
Life transformation	-	5	2
New Life business	61	161	82
New mutual funds and managed accounts business	12	51	26
VALUE ADDED BY NEW BUSINESS	73	236	125
VALUE ADDED FOR THE PERIOD BEFORE GOODWILL	137	147	118
Effect of acquisitions in the period	-	(27)	(28)
VALUE ADDED FOR THE PERIOD AFTER GOODWILL	137	120	90

The increase in embedded value after taking goodwill into account, compared to both the first half-year 2002 and the year 2002, is mainly due to the satisfactory financial performance of assets compared to the negative results of past periods, to higher performance and management commissions in the half-year, to a reduction in the cost of external Irish mutual fund managers and also to new acquisitions abroad entailing no costs. These factors largely made up for the lower value of new Life and mutual fund business resulting from a decreasing sales volume.

Consolidated income statement of the Group, 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>	30.06.2003 (*)	30.06.2002 (*)	31.12.2002 (*)	30.06.2003 (**)	30.06.2002 (**)	31.12.2002 (**)
Premiums from insurance activities						
Gross premiums written	866,763	1,124,427	2,145,697	836,144	1,114,037	2,122,993
Reinsurance ceded	(3,528)	(4,990)	(10,183)	(3,520)	(4,906)	(9,969)
Commission income from financial activities and other income						
Entry fees	16,163	20,518	35,512	14,478	17,385	30,458
Management fees	75,144	87,683	164,803	66,426	76,780	145,372
Performance fees	35,648	13,193	41,248	35,648	13,193	41,248
Bank service margin	39,231	33,442	82,255	31,626	33,199	68,739
Bank interest spread	37,466	19,206	38,245	31,815	12,801	26,698
Other commissions	4,249	10,212	8,675	3,700	4,326	8,423
Other revenues	4,585	4,918	11,263	4,541	2,568	10,333
TOTAL REVENUES	1,075,720	1,308,609	2,517,515	1,020,860	1,269,383	2,444,295
Change in Life insurance reserve and service to policyholders, net of reinsurance	(767,785)	(1,003,276)	(1,911,894)	(740,294)	(993,336)	(1,890,573)
Acquisition costs, net of reinsurance	(97,687)	(110,133)	(213,357)	(87,307)	(99,786)	(194,657)
General costs	(111,659)	(104,586)	(219,394)	(90,484)	(87,013)	(178,629)
Amortisation/depreciation and provisions	(38,308)	(34,100)	(72,165)	(24,284)	(21,379)	(46,446)
Net investment and asset income	19,353	1,846	22,180	16,064	3,130	20,463
Figurative proceeds from shareholdings in New Ventures (***)	-	-	-	4,278	5,450	11,148
Adjustments to the value of financial investments	(471)	(8,927)	(15,587)	(471)	(6,692)	(15,587)
OPERATING PROFIT	79,164	49,433	107,298	98,361	69,757	150,014
Non-recurring extraordinary income ad charges	(6,589)	2,690	1,732	(5,168)	2,152	1,414
PROFIT BEFORE TAXES	72,575	52,123	109,030	93,193	71,909	151,428
Taxes for the year	(17,901)	(13,106)	(27,083)	(19,138)	(14,570)	(30,769)
Profits from minority interests	(40)	3	(102)	-	-	-
PROFIT FOR THE YEAR PERTAINING TO THE GROUP	54,713	39,014	82,049	74,055	57,339	120,659

(*) Consolidated Mediolanum Group (also including the "new ventures" Fibanc Group, Gamax Group, Banca Esperia, 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

During the first half-year 2003, the parent company Mediolanum S.p.A. generated a net negative result of 7,657 thousand euro (30.06.2002: 87,258 thousand euro).

In order to compare this result with the results of the same period in the previous year, it is necessary to neutralise the effect of the change in the evaluation criteria, relating to the posting of dividends from controlled companies on an accrual basis. Had this criterion been adopted in the half-year report at June 30, 2002, the results for the period would have been negative in the amount of 8,291 thousand euro, after taxes of 4,345 thousand euro.

Operational profits totalled 77,237 thousand euro (30.06.2002: 89,828 thousand euro), of which 71,449 thousand euro (30.06.2002: 84,894 thousand euro) resulted from the insurance agent activity carried out by the controlled company Mediolanum Vita S.p.A..

Costs related to these activities were 65,965 thousand euro (30.06.2002: 77,244 thousand euro), mainly comprising commissions paid to the controlled company Banca Mediolanum S.p.A..

Overheads were 15 million euro (30.06.2002: 20 million euro).

Interest payable generated by the use of credit lines granted by primary banks amounted to 4,639 thousand euro (30.06.2002: 5,189 thousand euro).

Commercial relations were maintained with controlled companies, and marginally with companies belonging to the Fininvest Group and the Doris Group (which were contractually defined at market values), and were mainly aimed at the technical and administrative co-ordination of controlled companies, in addition to the above-mentioned insurance sub-agent relationship.

During the first half-year 2003, a number of marketing projects were started, including in particular, sponsorship of the *Maglia Verde* ("green shirt") in the *Giro d'Italia* (Tour of Italy). These projects were an effective public relations exercise in enhancing the positive image of the Mediolanum Group; the relevant costs were expended during the half-year.

Mediolanum State Street SGR p.A. also transferred to Duemme SGR p.A. the line of business involved in the asset management of pension funds and of institutional investors. Currently the company is only involved in the management of the closed-end pension fund "Fondamenta".

EVENTS IN THIS PERIOD

**SIGNIFICANT
POST-PERIOD
EVENTS**

In July, Mediolanum Gestione Fondi SGR p.A. launched the Fund of Funds management belonging to the “Mediolanum Elite System”, and the management activity of the closed-end fund “Mediolanum Property” is expected to start by the end of the year.

Mediolanum Gestione Fondi SGR p.A. also submitted a formal request of authorisation to the Luxembourg authorities to take up the role of Investment Advisor for the Funds GAMAX FCP. The authorisation procedure should be completed by the end of September.

In July, Mediolanum International Life Ltd obtained the authorisation from the Italian Supervisory Body ISVAP to open up a subsidiary in Italy for distribution of the products of the Irish insurance company through the Banca Mediolanum network. The launch of these products is expected to start in September.

**EXPECTED FUTURE
TRENDS**

The trends observed in the companies of the Mediolanum Group during the first half-year 2003 lead us to believe that the performance of the year will be positive.

**B) VALUATION
CRITERIA**

The consolidated financial statements at June 30, 2003, are presented in accordance with CONSOB decision 11971 of May 14, 1999, as amended by decision 12475 of April 6, 2000, and pursuant to Italian Law 173/97.

The consolidation principles and criteria used for the controlled companies included in the consolidation are consistent with those used in the preparation of the consolidated financial statements as at December 31, 2002.

The half-year reports were prepared in accordance with the Italian law relating to financial statements (Article 16 of Law 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, 2002, and with those used in the preparation of the consolidated financial statements at June 30, 2002, and are shown here for comparison.

All amounts are expressed in thousands of euro.

These are recorded at purchase cost including incidental expenses and are amortised on a consistent basis over their expected useful life (since it is believed they will remain in use in the long term).

INTANGIBLE ASSETS

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 leases.

These are recorded at purchase cost, including incidental expenses.

INVESTMENTS AND
OTHER LONG-TERM ASSETS

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 insurance.

Investments in controlled companies not yet operational are valued at cost, since their effect on compiling the consolidated financial statements in a proper 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, and only when a framework decision from the Board of Directors of Mediolanum Vita S.p.A. has been made to permit such a sale.

SHORT-TERM INVESTMENTS

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.

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 half-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 based on the published share value at 30 June 2003.

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.

INVESTMENTS IN FINANCIAL DERIVATIVES

Financial derivatives, as established in ISVAP provision No. 297 of 19/07/1996, are used solely for hedging purposes, in order to reduce the risk profile of hedged assets/liabilities; that is, to optimise the risk/return profile.

For futures contracts, the initial margin is posted under "liquid assets"; variation margins are considered among other assets and liabilities and accounted for in the income statement as gains or losses on the realisation of investments only when closing the contract. Futures contracts open at year

end are valued as the lower of the cost and the market value, registering any write-down under adjustments to the value of investments; in case of related transactions, the evaluation takes into account the combined effects of opposite transactions.

Premiums paid relating to purchased options are posted among other financial investments. Premiums received for options sold are posted under other loans and other financial debt. Premiums relating to options exercised upon their expiry adjust the carrying value or the sales price of assets, whereas premiums pertaining to options discarded are posted as gains or losses on the realisation of investments.

Transactions in derivatives aimed at effective management of in-force business are valued as the lower of the cost and market values.

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

INVESTMENTS ON BEHALF
OF RISK-CARRYING LIFE
POLICYHOLDERS AND FROM
PENSION FUND MANAGEMENT

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

RECEIVABLES AND PAYABLES

These reflect adjustments to match costs and revenues to the two or more accounting periods to which they relate.

PREPAYMENTS
AND ACCRUED INCOME

Life insurance reserves include the mathematical reserve, which is determined for each policy on the basis of the specific obligation 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.

LIFE INSURANCE RESERVES

These reserves also include deferred premiums relating to the following year and cover future costs relating to the administration of policies.

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.

In compliance with ISVAP provision 1801 G of February 21, 2001, the technical reserve return was estimated in accordance with the calculation method established by that provision. This operation concerned the separate

internal administration of Medinvest, 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 pursuant to Article 25 of Italian Law 174/95 was not set up.

TECHNICAL RESERVES WHEN
THE RISK IS CARRIED BY
POLICYHOLDERS AND RESERVES
FROM PENSION FUND
MANAGEMENT

These reserves represent, as closely as possible, the value of shares in investment funds or indexed funds, 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 half-year, and reflect a realistic estimate of expected losses to be borne by the companies included in the consolidation area.

EMPLOYEE
TERMINATION INDEMNITY

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.

REVENUES AND EXPENSES

Revenues and expenses are recorded on an accrual basis.

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

Dividends and the relevant tax credit are recorded in the accounting period in which they are received.

TAXES

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.

Accounting principle 25 issued by the National Council of Professional Accountants and Bookkeepers (CNDC) 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.

Deferred taxes must be calculated every year using the rates applicable when temporary differences apply. Prepaid taxes are posted to the extent that they are reasonably expected to be recovered in case of future taxable income not lower than the amount of temporary deductible differences.

Moreover, in compliance with the above 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. Deferred taxes were also accrued on profits made and not yet distributed in relation to foreign controlled companies and associated companies, and were valued using the equity method.

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

At 30 June 2003, there were no companies whose accounting currency was other than the euro.

Not made.

OFF-BALANCE SHEET ITEMS

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

VALUE ADJUSTMENTS
AND PROVISIONS EXCLUSIVELY
MADE IN ACCORDANCE
WITH FISCAL LAWS

**C) CONSOLIDATED
BALANCE SHEET
INFORMATION**

ASSETS

**INTANGIBLE ASSETS
(ITEM B)**

Other intangible assets includes:

<i>Euro in thousands</i>	30.06.03	31.12.02	30.06.02
Start-up and expansion costs	4,724	8,689	13,430
Concessions, licences, trademarks and similar rights	6,648	6,311	5,578
Improvements on leased goods	216	224	270
Intangible assets under formation and advances	612	81	556
Other intangible assets	0	0	23
TOTAL	12,200	15,305	19,857

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

<i>Euro in thousands</i>	30.06.03	31.12.02	30.06.02
Sales network contests	1,214	2,401	4,364
Commissions to be returned to reinsurers	3,374	6,130	8,887
Other start-up and expansion costs	136	158	179
TOTAL	4,724	8,689	13,430

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 at the transformation date, in compliance with the agreements currently in force.

These costs were capitalised in compliance with CNDC accounting principle 24, being a one-off charge to account for the change in the type of economic activity – from one producing financial income, to one producing operating income.

The above costs for the renewal of the portfolio are systematically amortised over a period of five years, which is shorter than the inflow period of benefits associated with the transformation.

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.

Intangible assets under formation relate both to projects intended to upgrade and enhance software being used, and to the development of projects for the installation of new IT tools.

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

Item B3 *Consolidation difference* relates to the difference between the price paid by Mediolanum S.p.A. for the acquisition of an interest in the company Mediolanum International Life Ltd and the net value of the latter's assets and liabilities. Positive consolidation differences were systematically amortised over a period of ten years, which is considered to be representative of the future profitability of the company purchased. Amortisation for the positive consolidation difference for the year amounted to 8 thousand euro.

Item C I *Land and buildings* includes:

INVESTMENTS (ITEM C)

<i>Euro in thousands</i>	30.06.03	31.12.02	30.06.02
Company buildings	18,375	18,736	19,096
Residential buildings leased to third parties	48,526	48,526	48,526
Industrial buildings leased to third parties	4,239	4,326	7,041
TOTAL	71,140	71,588	74,663

All buildings owned by Mediolanum Vita S.p.A. were subject to examination: market value totalled 88,108 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.

Depreciation of industrial buildings is calculated using the fiscal depreciation rate of 3%, which is considered representative of the useful life of these assets. Total movements in the above items are shown in detail in Attachment 2.

Item C II 1 *Shares and quotas* is analysed as follows:

a) "Shares of controlled companies": 407,803 thousand euro of this relates to the interest held in Mediolanum Life Ltd, valued at cost since it is not yet fully operational, and to Group companies which are not engaged in the transaction of insurance or related business and were therefore valued using the equity method, as detailed in the following table:

<i>Euro in thousands</i>	30.06.03	31.12.02	30.06.02
Banca Mediolanum S.p.A.	368,643	382,982	258,393
Mediolanum State Street SGR p.A.	1,532	1,741	1,565
Mediolanum Comunicazione S.r.l.	1,027	985	845
Mediolanum Fiduciaria S.p.A.	524	539	530
Mediolanum Gestione Fondi SGR p.A.	6,424	8,768	14,977
Mediolanum International Funds Ltd	28,325	59,294	56,861
Mediolanum Asset Management Ltd	901	1,235	1,873
Mediolanum International S.A.	0	0	67,209
PI Distribuzione S.r.l.	427	405	353
TOTAL	407,803	455,949	402,606

The evaluation of Banca Mediolanum S.p.A. by the equity method is influenced by the inter-company transaction that took place in the second half of 2002, in which Mediolanum S.p.A. transferred control to Banca Mediolanum S.p.A. of the companies Mediolanum Gestione Fondi SGR p.A. (51%), Mediolanum International Funds Ltd (51%), Mediolanum Asset Management Ltd (51%), Mediolanum International S.A. (99.8%) and its controlled companies, the Gamax Group and Mediolanum Private S.A.M..

Following this transfer, performed at book value, all the equity investments valued by the equity method at 30 June 2003 can be compared with those at 30 June 2002, whereas the values pertaining to the companies being transferred cannot be compared, due to a change in the percentage interest held.

The value of Banca Mediolanum S.p.A. includes the effect deriving from evaluation by the equity method of the companies it controls, and it therefore takes into account the amortisation of goodwill relating to the interest held in the Fibanc Group, Bankhaus August Lenz & Co. AG and in the Gamax Group.

b) Fininvest Group shares and quotas of 99 thousand euro relate to:

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

c) Shares and quotas in associated companies refer to 16,499 thousand euro which represents 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.

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

d) "Shares and quotas in other companies" totalling 172,496 thousand euro relates to:

<i>Euro in thousands</i> Company	Share capital	% holding	Office
Cedacri S.p.A.	12,609	2.546	Via Conventino 1 Collecchio (PR)
Europa Invest S.A.	125	14	14 Rue Aldringen Luxembourg
Consortium S.r.l.	561,600	3.40	Via Filodrammatici 10 Milan
Mediobanca S.p.A.	389,275	1.813	Via Filodrammatici 10 Milan
SIA S.p.A.	18,124	4.999	Via Taramelli 26 Milan
Rita S.r.l.	5,720	0.239	Piazza San Babila 1 Milan

And consists of:

<i>Euro in thousands</i>	30.06.03	31.12.02	30.06.02
Cedacri S.p.A.	1,357	1,357	1,357
Europa Invest S.A.	14	14	14
Mediobanca S.p.A.	129,907	129,907	129,907
Consortium S.r.l.	28,798	28,798	28,797
SIA S.p.A.	12,407	12,407	12,407
Rita S.r.l.	13	13	13
TOTAL	172,496	172,496	172,495

Item C II 3 *Financial loans* consists of 177,986 thousand euro relating to repurchase agreements entered into by Mediolanum Vita S.p.A. with the affiliated company Banca Mediolanum S.p.A., and to a credit line of 1,291 thousand euro with a due date of December 31, 2003 and repaid at the official discount rate, given by Mediolanum S.p.A to Mediolanum Comunicazione S.r.l., a controlled company valued using the equity method.

Item C III *Other financial investments* includes the following investments split by portfolio of destination:

<i>Euro in thousands</i>	Long-term investments		Short-term investments		Total	
	Book value	Current value	Book value	Current value	Book value	Current value
1. Shares and quotas:			2,880	2,885	2,880	2,885
a) shares traded on regulated markets			2,880	2,885	2,880	2,885
b) unlisted shares						
c) quotas						
2. Mutual fund shares			43,302	43,302	43,302	43,302
3. Bonds and other						
fixed income securities	506,398	510,507	339,836	340,492	846,234	850,999
a1) Government securities traded on regulated markets	457,517	459,745	310,986	311,334	768,503	771,079
a2) other securities traded on regulated markets	33,006	34,372	28,848	29,156	61,854	63,528
b1) unlisted Government securities	705	705	0	0	705	705
b2) other unlisted securities	15,170	15,685	2	2	15,172	15,687
c) convertible bonds						
4. Financial loans			15,917	15,917	15,917	15,917
5. Other financial investments			3,594	3,670	3,594	3,670
TOTAL	506,398	510,507	405,529	406,266	911,927	916,773

Item C III 2 *Mutual fund shares* includes shares of foreign mutual funds managed by Mediolanum International Funds Ltd totalling 43,227 thousand euro.

Long term financial investments, 506,398 thousand euro of which is included under *Bonds and other fixed-income securities* (item C III 3), are mostly fixed income securities issued by the government and public bodies.

The financial investments that are not to remain a part of the Group's assets amount to 405,529 thousand euro and consist of:

<i>Euro in thousands</i>	30.06.03	31.12.02	30.06.02
Shares and quotas	2,880	2,790	3,393
Mutual fund shares	43,302	60,035	187,200
Bonds and other fixed income securities	339,836	624,379	316,986
Financial loans	15,917	16,268	16,621
Deposits with credit institutions and other financial investments	3,594	7,003	62,655
TOTAL	405,529	710,475	586,855

Financial loans consists of:

<i>Euro in thousands</i>	30.06.03	31.12.02	30.06.02
Secured loans on insurance policies	15,322	15,643	15,952
Loans to consultants	397	397	397
Other loans	198	228	272
TOTAL	15,917	16,268	16,621

All financial loans will fall due after more than one year.

The evaluation of financial investments at current value, which will not remain Group assets, shows a potential gain of 737 thousand euro; adjustments to the value of financial investments posted in the income statement totalled 302 thousand euro.

The evaluation of financial investments at current value that are to remain a part of the Group's assets shows a potential gain of 6,161 thousand euro and a potential loss of 2,052 thousand euro.

Item C III 5 *Other loans* includes deposits with credit institutions subject to time constraints greater than 15 days.

Changes relate to liquidity investment policies.

RECEIVABLES (ITEM E)

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

<i>Euro in thousands</i>	30.06.03	31.12.02	30.06.02
Due from policyholders from premiums	15,157	11,692	58,663
Due from intermediaries	2,033	4,828	2,544
Due from intermediaries for portfolio compensations	15	17	20
TOTAL	17,205	16,537	61,227

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

<i>Euro in thousands</i>	30.06.03	31.12.02	30.06.02
Due from real estate leases	1,490	1,214	1,275
Due from Mediolanum Group companies	4,768	3,163	3,880
Due from Fininvest Group and Doris Group companies	455	6,043	1,478
Due from tax authorities	87,816	69,542	32,300
Due from employees	159	116	139
Guarantee deposits	82	82	82
Advances to suppliers and professionals	682	124	426
Other receivables	14,274	890	1,224
TOTAL	109,726	81,174	40,804

“Due from Mediolanum Group companies” consists of amounts due from Group companies not consolidated on a line-by-line basis and related to recharging of costs for seconded employees of Mediolanum S.p.A. directed to work at controlled companies, as well as receivables concerning the funds of employees transferred from other Group companies.

“Due from Fininvest Group and Doris Group companies” mainly consists of an amount due from Mediolanum Assicurazioni S.p.A., which is jointly owned (50-50) by the Fininvest Group and the Doris Group, 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>	30.06.03	31.12.02	30.06.02
Tax reimbursements	14,026	13,868	13,722
Advance payments and amounts brought forward	40,854	39,615	4,906
Tax withholdings	4,013	2,862	1,547
Tax credits on dividends and mutual funds	26,592	12,816	11,618
Other	2,331	381	507
TOTAL	87,816	69,542	32,300

“Advance payments and amounts brought forward” significantly increased following the advance payment made by Mediolanum Vita S.p.A. in relation to Life Mathematical Reserves and the allocation for the balance of income tax to be paid (Italian Law 209, 24.09.2002, converted into Italian Law. 265, 22.11.2002).

26,556 thousand euro of “Tax credits on dividends and mutual funds” relates to the tax credit registered by the parent company Mediolanum S.p.A. on dividends received in the first half of 2003 by controlled companies.

Amounts under “Other”, accounted for by Mediolanum Vita S.p.A., mostly pertain to the sale of securities in June 2003, the bank settlement of which occurred the following July, due to a delay by the other party; the company is seeking the relevant interest associated with the delayed bank payment on these amounts.

OTHER ASSETS (ITEM F)

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

<i>Euro in thousands</i>	30.06.03	31.12.02	30.06.02
Systems	28	44	31
Equipment	591	636	666
Other tangible assets	2,095	2,557	2,793
<i>of which:</i>			
Electric and electronic equipment	1,332	1,609	1,676
Furniture and fittings	754	937	1,115
Other assets	9	11	2
TOTAL	2,714	3,237	3,490

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

Category	
Furniture and fittings	12%-15%
Systems	30%-25%
Equipment	15%
Electric and electronic equipment	20%
Other assets	15%

Total movements in tangible assets are shown in detail in Attachment 2.

128,893 thousand euro of *Liquid assets* (item F II) represent the balance in ordinary current accounts with Banca Mediolanum S.p.A., and the remaining amount is held with other credit institutions; these amounts are mainly employed in hot money operations with a duration of less than 15 days.

Item F III *Own shares* includes 385,000 Mediolanum S.p.A. shares at a nominal value of 38.5 thousand euro.

Prepayments and accrued income is analysed as follows:

<i>Euro in thousands</i>	30.06.03	31.12.02	30.06.02
Accrued interest on securities	13,557	14,058	10,550
Other accrued income	545	365	607
Prepayments for insurance	168	63	67
Prepayments for rent	26	2	36
Other prepayments	494	131	440
TOTAL	14,790	14,619	11,700

**PREPAYMENTS
AND ACCRUED INCOME
(ITEM G)**

**SHAREHOLDERS'
EQUITY AND
LIABILITIES**

Changes in consolidated capital and reserves for the period are in Attachment 3.

**CAPITAL AND RESERVES
(ITEMS A - B)**

<i>Euro in thousands</i>	Capital and reserves	Profit for the period	Total shareholders' equity
Parent company financial statements at June 30, 2003	319,125	(7,657)	311,468
Subsequent changes in carrying value and Shareholders' equity of companies included in consolidation	110,944	16,070	127,014
Differences in investments valued by the equity method	42,072	55,310	98,580
Conversion difference of companies included in consolidation	77	0	77
Inter-company dividends	389	(389)	0
Application of Group-wide accounting policies	(3,196)	1,097	(2,099)
Elimination of inter-company transactions	(735)	(8)	(743)
Amortisation of consolidation differences in the company's equity investments valued using the equity method	(35,078)	(9,574)	(44,652)
Amortisation of capital gains attributed to buildings as at the date of acquisition of the company valued using the equity method	(567)	(128)	(695)
Amortisation of consolidation difference of companies consolidated on a line-by-line basis	(21)	(8)	(29)
Consolidated financial statements at June 30, 2003	433,010	54,713	487,723

**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 2002	205,682	185,839	391,520
Subsequent changes in carrying value and Shareholders' equity of companies included in consolidation	111,358	10,169	121,527
Differences in investments valued by the equity method	27,425	111,342	138,767
Conversion difference of companies included in consolidation	77	0	77
Consolidation with the equity method of companies previously valued at cost	(1,223)	0	(1,223)
Inter-company dividends in cash	96,939	(96,939)	0
Inter-company dividends for accrual	0	(105,666)	(105,666)
Application of Group-wide accounting policies	195	(3,372)	(3,177)
Elimination of inter-company transactions	(832)	97	(735)
Amortisation of consolidation differences in the company's equity investments valued using the equity method	(15,947)	(19,150)	(35,097)
Amortisation of capital gains attributed to buildings as at the date of acquisition of the company valued using the equity method	(312)	(255)	(567)
Amortisation of consolidation difference of companies consolidated on a line-by-line basis	(5)	(16)	(21)
Consolidated financial statements for the year 2002	423,357	82,049	505,406

<i>Euro in thousands</i>	Capital and reserves	Profit for the period	Total shareholders' equity
Parent company financial statements at June 30, 2002	205,576	87,258	292,834
Subsequent changes in carrying value and Shareholders' equity of companies included in consolidation	111,358	5,138	116,496
Differences in investments valued by the equity method	27,425	54,890	82,315
Conversion difference of companies included in consolidation	77	0	77
Consolidation with the equity method of companies previously valued at cost	(1,223)	0	(1,223)
Inter-company dividends	96,939	(96,939)	0
Application of Group-wide accounting policies	195	(1,743)	(1,548)
Elimination of inter-company transactions	(832)	104	(728)
Amortisation of consolidation differences in the company's equity investments valued using the equity method	(15,947)	(9,558)	(25,505)
Amortisation of capital gains attributed to buildings as at the date of acquisition of the company valued using the equity method	(312)	(128)	(440)
Amortisation of consolidation difference of companies consolidated on a line-by-line basis	(5)	(8)	(13)
Consolidated financial statements at June 30, 2002	423,251	39,014	462,265

6,347 thousand euro of the amortisation of positive consolidation differences in the company's equity investments valued using the equity method refers to interest in the Fibanc Group held through Banca Mediolanum S.p.A.; 241 thousand euro refers to interest held in Bankhaus August Lenz & Co AG., acquired by Banca Mediolanum S.p.A. on January 17, 2002, and 2,986 thousand euro refers to interest held in the Gamax Group through Mediolanum International S.A..

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.

Technical reserves (item C II) were calculated using methods in line with those adopted when drawing up the financial statements at December 31, 2002.

TECHNICAL RESERVES
(ITEMS C - D)

In applying these methods, as is the usual practice, information from an analysis of the insurance portfolio was taken into account, with particular reference to the estimated likelihood of policyholders to take out an annuity, and to the impact of management costs on index-linked products.

Item CII 3 *Other* under "Life technical reserves" is as follows:

<i>Euro in thousands</i>	30.06.03	31.12.02	30.06.02
Future expense reserve - I	1,072	1,718	2,211
Future expense reserve - III	50,502	52,890	50,091
Future expense reserve - V	318	324	354
TOTAL	51,892	54,932	52,656

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>	30.06.03	31.12.02	30.06.02
Technical reserves on unit-linked products	3,119,991	2,775,195	2,667,890
Technical reserves on index-linked products	2,964,608	2,575,799	2,273,062
Technical reserves resulting from pension fund management	2,553	2,229	1,921
TOTAL	6,087,152	5,353,223	4,952,873

**PROVISIONS FOR RISKS
AND CHARGES (ITEM E)**

Item E *Provisions for risks and charges* is analysed as follows:

<i>Euro in thousands</i>	30.06.03	31.12.02	30.06.02
Provision for taxes	37,786	18,345	16,190
Other provisions	726	704	647
TOTAL	38,512	19,049	16,837

For a more correct posting, the employee holiday pay accrual under G VII *Other payables*, “Other liabilities” was reclassified: by 1,425 thousand euro compared to the financial statements drawn up as at December 31, 2002 and approved on April 29, 2003 by the Shareholders’ meeting, and by 1,792 thousand euro compared to the six-monthly report at June 30, 2002, approved on September 12, 2002, by the Board of Directors.

Provision for taxes is analysed as follows:

<i>Euro in thousands</i>	30.06.03	31.12.02	30.06.02
Provision for Irpeg-Irap (corporate income tax-tax on productive activities)	35,620	13,111	11,827
Provision for taxes for assessments	360	1,975	220
Provision for deferred taxes	1,806	3,259	4,143
TOTAL	37,786	18,345	16,190

Deferred taxes are net of tax advances and amounted to 714 thousand euro.

Other provisions is analysed as follows:

<i>Euro in thousands</i>	30.06.03	31.12.02	30.06.02
Provision for future risks	405	405	405
Provision against illegal acts by agents	125	125	125
Agents loyalty provision	19	160	103
Agents loyalty provision	163	0	0
Sundry provisions	14	14	14
TOTAL	726	704	647

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

<i>Euro/migliaia</i>	31.12.02	Accrued	Utilisation	Recl.	30.06.03
Provision for future risks	405				405
Provision against illegal acts by agents	125				125
Agents loyalty provision	160	19	(160)		19
Agents loyalty provision	0	163			163
Sundry provisions	14				14
TOTAL	704	182	(160)	0	726

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

**PAYABLES AND OTHER
LIABILITIES (ITEM G)**

Changes in item G VI *Employee termination indemnity* is analysed as follows:

Euro in thousands

Opening balance at 31.12.02	4,567
Provision for the period	382
Utilisation	(44)
Advances to employees	(292)
Transfers to other Mediolanum and Fininvest Group companies	(1,470)
Closing balance at 30.06.03	3,143

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

<i>Euro in thousands</i>	30.06.03	31.12.02	30.06.02
Taxes charged to policyholders	1,010	1,745	2,137
Taxes	2,865	21,355	4,071
Payable to social security institutions	548	939	890
Trade accounts	6,750	6,030	7,061
Payable to Mediolanum Group companies	24,809	32,567	18,227
Payable to Fininvest Group and Doris Group companies	805	442	387
Other	2,099	3,020	1,511
Other liabilities	4,384	3,009	8,051
TOTAL	43,270	69,107	42,335

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

“Due to social security institutions” refers to social security contributions made with reference to June wages which are duly paid the following July.

Trade accounts is analysed as follows:

<i>Euro in thousands</i>	30.06.03	31.12.02	30.06.02
Services received	4,105	4,009	2,970
Invoices to be received	2,309	1,765	3,072
Emoluments to Directors and Statutory Auditors	210	208	274
Professional services	126	48	745
TOTAL	6,750	6,030	7,061

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

“Payable to Fininvest Group and Doris Group companies” mainly consists of recharge costs due to Mediolanum Assicurazioni S.p.A. for seconded employees.

Other liabilities relates to:

<i>Euro in thousands</i>	30.06.03	31.12.02	30.06.02
Commissions for unearned premiums	2,239	211	4,381
Outstanding earned premiums	702	702	832
Provision for 14 th month salary and production premiums	294	536	540
Employee holiday pay accrual	1,014	1,425	1,792
Other liabilities	135	135	506
TOTAL	4,384	3,009	8,051

For a more correct posting, the amount of employee holiday pay accrual under “other payables” previously posted under E, Provision for risks and charges, was reclassified to *Other provisions*.

**ACCRUALS AND DEFERRED
INCOME (ITEM H)**

Accruals and deferred income is analysed as follows:

<i>Euro in thousands</i>	30.06.03	31.12.02	30.06.02
Other accrued expenses	1,956	2,135	423
Deferred income on lease instalments	126	72	117
TOTAL	2,082	2,207	540

**GUARANTEES,
OBLIGATIONS AND OTHER
OFF-BALANCE SHEET ITEMS**

Guarantees given

Guarantees given includes:

- Guarantees given to Fininvest Group companies, comprising counter-guarantees issued to Fininvest S.p.A. totalling 64 thousand euro;
- Guarantees given to other companies, mainly comprising 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 data transmission link with Banca Mediolanum S.p.A.;
- 539 thousand euro as a guarantee for on-time payment of fees for the rental of management offices to the company Stodiek Immobiliare S.r.l.

Guarantees received

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

Obligations

This item relates to obligations for futures contracts entered into by Mediolanum Vita S.p.A..

Other off-balance sheet items

These are mainly *Securities in the hands of third parties* and refer to the nominal value of other financial investments, including securities deposited at Banca Mediolanum S.p.A. at a par value of 4,026,441 thousand euro.

D) CONSOLIDATED INCOME STATEMENT INFORMATION

INFORMATION ON TECHNICAL ACCOUNTS

Gross premiums written is analysed as follows:

<i>Euro in thousands</i>	Direct operations	Reinsurance operations	Total
I - Life insurance	35,904	10	35,914
II - Marriage and birth insurance			
III - Unit-linked insurance as per I and II	827,092		827,092
IV - Health insurance	0		0
V - Capitalisation operations	3,448		3,448
VI - Fund management	309		309
GROSS PREMIUMS	866,753	10	866,763

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

<i>Euro in thousands</i>	30.06.03	30.06.02	31.12.02
First year premiums	103,617	121,930	262,961
Subsequent year premiums	302,418	259,772	575,172
Single premiums	460,718	742,713	1,307,544
Indirect premiums	10	12	20
(less) Reinsurance ceded	(3,528)	(4,990)	(10,184)
NET PREMIUMS	863,235	1,119,437	2,135,513

Allocated investment return transferred to technical Life account is determined pursuant to ISVAP Provision 1140 G of March 8, 1999.

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 77,357 thousand euro were not included in the consolidation, and commissions payable relating to these two companies were included in their entirety.

Acquisition commissions included in the half-year financial statements include commissions paid to Banca Mediolanum S.p.A. and totalled 65,965 thousand euro.

INFORMATION ON THE
NON-TECHNICAL ACCOUNT

Investment income (item 3 a) is analysed as follows:

<i>Euro in thousands</i>	30.06.03	30.06.02	31.12.02
Quotas in results for the year on investments valued by the equity method	45,744	44,649	97,045
Other investment income	64	1,396	3,088
Income from land and buildings	1,286	1,526	3,140
Shares in mutual funds	34	2,744	4,151
Bonds and other fixed income securities	21,500	25,567	51,043
Financial loans	314	343	659
Deposits at credit institutions	2,665	4,472	8,410
Other financial investments	26	6,167	6,561
TOTAL	71,633	86,864	174,097

Proceeds from “deposits at credit institutions” includes interest from deposits at Banca Mediolanum S.p.A. totalling 1,232 thousand euro. For a more correct posting, the amount of interest from ordinary current accounts of 1,017 thousand euro, at June 30, 2002, was reclassified under *Other revenues*.

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

<i>Euro in thousands</i>	30.06.03	30.06.02	31.12.02
Shares	175	64	0
Mutual fund shares	312	71	0
Bonds and other fixed income securities	1,267	3,498	2,707
TOTAL	1,754	3,633	2,707

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

<i>Euro in thousands</i>	30.06.03	30.06.02	31.12.02
Shares and quotas	0	328	350
Bonds and other fixed income securities	13,386	475	4,360
Other financial investments	3,061	59	1,233
TOTAL	16,447	862	5,943

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

<i>Euro in thousands</i>	30.06.03	30.06.02	31.12.02
Management expenses from real estate investments	437	474	1,126
Other investment management expenses	541	145	983
Interest on deposit accounts with reinsurance companies	2,585	4,272	7,032
Interest payable on other amounts payable	26	46	73
TOTAL	3,589	4,937	9,214

For a more correct posting, 3,289 thousand euro of interest payable on ordinary current accounts at June 30, 2002, previously posted under interest on financial payables, was reclassified to *Other charges*.

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

<i>Euro in thousands</i>	30.06.03	30.06.02	31.12.02
Building depreciation	448	501	895
Shares and quotas	221	822	1,294
Mutual funds	78	6,230	8,210
Bonds and other fixed income securities	1,238	4,309	9,813
Futures	655	123	800
TOTAL	2,640	11,985	21,012

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

<i>Euro in thousands</i>	30.06.03	30.06.02	31.12.02
Shares and quotas	0	12	12
Mutual funds	0	1,956	2,249
Bonds and other fixed income securities	4,723	522	1,511
Other financial investments	8,697	156	1,997
TOTAL	13,420	2,646	5,769

Other revenues (item 6) is analysed as follows:

<i>Euro in thousands</i>	30.06.03	30.06.02	31.12.02
Commission income for the sale of non-Life policies	1,938	2,037	4,294
Recharge of cost of employees seconded to Mediolanum Group companies valued by the equity method	3,440	1,558	2,485
Recharge of cost of employees seconded to Fininvest Group and Doris Group companies	197	242	421
Recuperation of costs	222	207	397
Interest from tax authorities	158	173	318
Utilisation of provision for specific risks	0	0	11
Other revenues	11,736	1,750	3,609
TOTAL	17,691	5,967	11,535

“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.. These commissions 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..

For a more correct posting, 1,017 thousand euro of interest on ordinary current accounts at June 30, 2002 including “Other revenues” previously posted under *Other investment income* was reclassified.

The “Other revenues” item at June 30, 2003, mainly relates to performance commissions from the affiliated company Mediolanum International Funds Ltd to Mediolanum Vita S.p.A..

Other costs (item 7) consists of:

<i>Euro in thousands</i>	30.06.03	30.06.02	31.12.02
Commission income for the sale of non-Life policies	1,936	2,035	4,299
Cost of Mediolanum S.p.A. employees	7,372	10,829	20,072
Other administrative expenses of Mediolanum S.p.A.	7,839	8,576	17,748
Amortisation of intangible assets	5,502	5,721	11,415
Accruals to the bad debts fund	0	0	18
Other costs	4,825	5,258	10,930
TOTAL	27,474	32,419	64,482

For a more correct posting, 3,289 thousand euro interest on ordinary current accounts at June 30, 2002, included in “Other charges” previously posted under *Investment management expenses and interest on bank loans* was reclassified.

Extraordinary income (item 9) is analysed as follows:

<i>Euro in thousands</i>	30.06.03	30.06.02	31.12.02
Gain on the sale of long-term investments	0	8	2,227
Gain on the sale of assets	0	16	16
Gain on the sale of bonds and other fixed-income securities	12,124	1,671	9,298
Other extraordinary income	182	869	1,070
TOTAL	12,306	2,564	12,611

Extraordinary charges (item 10) is analysed as follows:

<i>Euro in thousands</i>	30.06.03	30.06.02	31.12.02
Loss on the sale of assets	0	20	20
Loss on the sale of bonds and other fixed-income securities	292	1,471	2,197
Other extraordinary charges	4,124	0	1,757
Out of period expenses	313	71	818
TOTAL	4,729	1,562	4,792

“Other extraordinary charges” includes 3,153 thousand euro relating to the provision allocated for compliance with the requirements of the 2003 Budget.

E) OTHER INFORMATION

Employee information

The average number of employees of the companies consolidated on a line-by-line basis was as follows:

<i>Units</i>	30.06.03	30.06.02	31.12.02
Managers	17	41	36
Non-management employees	221	250	251
TOTAL	238	291	287

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 perform their duties are as follows:

<i>Euro in thousands</i>	For services rendered to the parent company	For services rendered to other companies
Directors	560	445
Statutory Auditors	48	40
TOTAL	608	485

With regard to the information on the amount and type of assets providing coverage of the technical reserves of Italian insurance companies included in consolidation, it should be noted that the practice adopted by Mediolanum Vita S.p.A. is to cover the technical reserves calculated in consolidation once a month. Therefore, at June 30, 2003, no supplementary information is necessary to the data already entered in the stamped book of assets covering technical reserves.

Solvency margin

Considering the foreseeable development of operations, based on the new criteria for the calculation of the solvency margin (“table to verify the solvency margin of the controlling company”), provided for under Italian Law 239 of 17/04/2001 and specified by ISVAP Provision 2050 of 26/02/2002 and Circular Letter 478/D of 18/03/2002, on applying the method based on consolidated financial statements, the solvency margin at the close of the year 2003 will amount to approximately 110 million euro, considering the same consolidation area. The items making up the margin are expected to exceed 415 million euro.

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>	30.06.03	30.06.02	31.12.02
Entry fees	14,478	17,385	30,458
Management fees	66,426	76,780	145,372
Performance fees	35,648	13,193	41,248
TOTAL	116,552	107,358	217,078

The two companies managed assets totalling 9,007 million euro (31.12.2002: 8,306 million euro) including investments made by Mediolanum Vita S.p.A..

Commissions resulting from the subscription and management of mutual funds from the companies belonging to the Fibanc Group amount to 5,461 thousand euro (30.06.2002: 6,246 thousand euro), and assets under administration total 122 thousand euro (30.06.2002: 99 thousand euro).

The interest margin generated by the Fibanc Group companies amounts to 5,662 thousand euro (30.06.2002: 6,253 thousand euro), and assets under administration total 1,994 million euro (31.12.2002: 1,788 million euro).

Commissions resulting from the subscription and management of mutual funds from the companies belonging to the Gamax Group amount respectively to 1,546 thousand euro (30.06.2002: 3,033 thousand euro) and to 3,202 thousand euro (30.06.2002: 4,657 thousand euro), and assets under administration total 420 million euro (31.12.2002: 427 thousand euro).

Assets under administration by the pension fund Previgest Fund Mediolanum, introduced into the market by the company Mediolanum Gestione Fondi SGR p.A. amounted to 12,771 thousand euro (31.12.2002: 9,519 thousand euro).

Mediolanum State Street SGR.p.A. managed a closed-end mutual fund, and is valued according to the equity method.

Assets under administration came to 44 million euro (31.12.2002: 481.5 million euro); this decrease since the end of the previous year is due to the transfer of the line of business to Duemme SGR p.A., a company belonging to the Banca Esperia Group. This transfer related specifically to the management of pension fund assets and the institutional client portfolio. Management commissions totalled 765 thousand euro (30.06.2002: 802 thousand euro).

Direct and indirect inflows of Banca Mediolanum S.p.A., valued according to the equity method, reached 5,169.9 million euro (31.12.2002: 5,094.6 million euro) with 332,727 current accounts, and generated an interest margin of 31,815 thousand euro (30.06.2002: 12,800 thousand euro).

Administered securities of third parties at market price amounted to 1,938 million euro (31.12.2002: 1,900.6 million euro).

Revenues from banking services totalled 31,626 thousand euro (30.06.2002: 33,199 thousand euro).

<i>Euro in thousands</i>	Fininvest Group and associated companies	Doris Group
Financial receivables	0	0
Commercial receivables	227	227
Financial payables	0	0
Commercial payables	741	64

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

“Commercial receivables” refers mainly to the recharge of personnel costs and insurance commissions of 361 thousand euro of Mediolanum Assicurazioni S.p.A..

“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, and amounts recharged by Mediolanum Assicurazioni S.p.A..

<i>Euro in thousands</i>	Fininvest Group and associated companies	Doris Group
Commercial revenues	1,090	1,090
Commercial costs	1,450	75
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 comprises property rents (22 thousand euro), recharged personnel costs (197 thousand euro) and commissions on the sale of non-Life insurance policies by Mediolanum Assicurazioni S.p.A. (1,937 thousand euro).

“Commercial costs” mainly comprises advertising and property management services provided by Fininvest Group companies: Mondadori Pubblicità S.p.A. (88 thousand euro), Arnoldo Mondadori Editore S.p.A. (21 thousand euro), Fininvest S.p.A. (23 thousand euro), R.T.I. S.p.A. (10 thousand euro), Alba Servizi Aerotrasporti S.p.A. (43 thousand euro) and Consorzio Aeromobili Fininvest (1,195 thousand euro).

The consolidation area of the Mediolanum Group includes all companies that are engaged in the insurance or related activities, and these are included in the list below of the companies 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 exercised at the ordinary shareholders' meeting.

F) CONSOLIDATION AREA

List of the companies 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	100.00	Basiglio	Life insurance
Partner time S.p.A.	520	100.00	Basiglio	Distribution of Life insurance products
Mediolanum International Life Ltd	1,395	100.00	Dublin	Life insurance

List of 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.	341,000	100.00	Basiglio	Banking
Mediolanum State Street SGR p.A.	2,600	50.00	Basiglio	Stockbrokerage company
Mediolanum Comunicazione S.r.l.	775	100.00	Basiglio	Audio/Film/TV production
Mediolanum Fiduciaria S.p.A.	510	100.00	Basiglio	Trust company without discretionary power
PI Distribuzione S.r.l.	517	100.00	Basiglio	Real estate broker
Mediolanum Gestione Fondi SGR p.A.	5,165	49.00	Basiglio	Management of mutual funds
Mediolanum International Funds Ltd	150	49.00	Dublin	Management of mutual funds
Mediolanum Asset Management Ltd	150	49.00	Dublin	Asset management and consultancy
Mediolanum International S.A.	71,500	0.003	Luxembourg	Sub-holding company

List of companies indirectly controlled by Mediolanum S.p.A. through Banca 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	84.96	Barcelona	Investment company
Banco de Finanzas e Inversiones S.A.	12,130	85.86	Barcelona	Banking
Ges Fibanc S.G.I.I.C. S.A.	2,506	85.86	Barcelona	Management of mutual funds
Fibanc S.A.	301	85.86	Barcelona	Financial consulting company
Fibanc Pensiones S.G.F.P. S.A.	902	85.86	Barcelona	Management of pension funds
Fibanc FAIF S.A.	60	85.86	Barcelona	Financial consulting company
Fibanc Argentina S.A.	ARS 50,000	80.70	Buenos Aires	Business representatives
Valora S.A.	421	85.86	Andorra	Asset management
Tanami S.A.	181	100.00	Barcelona	Real estate broker
Bankhaus August Lenz & Co. AG	8,000	100.00	Munich	Banking
Mediolanum International S.A.	71,500	99.997	Luxembourg	Sub-holding company
Gamax Holding AG	5,618	100.00	Luxembourg	Sub-holding company
Gamax Management AG	125	100.00	Luxembourg	Management of mutual funds
Gamax Fund Of Funds Management AG	125	100.00	Luxembourg	Management of mutual funds
Gamax Broker Pool AG	500	100.00	Leverkusen	Fund sales network
Gamax Austria GmbH	40	100.00	Salzburg	Fund sales network
Gamax Schweiz GmbH	CHF 20,000	100.00	Zürich	Fund sales network
Mediolanum Private S.A.M.	500	75.00	Princ. of Monaco	Asset management
Mediolanum Gestione Fondi SGR p.A.	5,165	51.00	Basiglio	Management of mutual fund
Mediolanum International Funds Ltd	150	51.00	Dublin	Management of mutual fund
Mediolanum Asset Management Ltd	150	51.00	Dublin	Asset management and consultancy

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

<i>Euro</i> Company	Share capital	% holding	Office	Activity
Mediolanum Life Ltd	5	100	Dublin	Life insurance

List of companies associated with 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

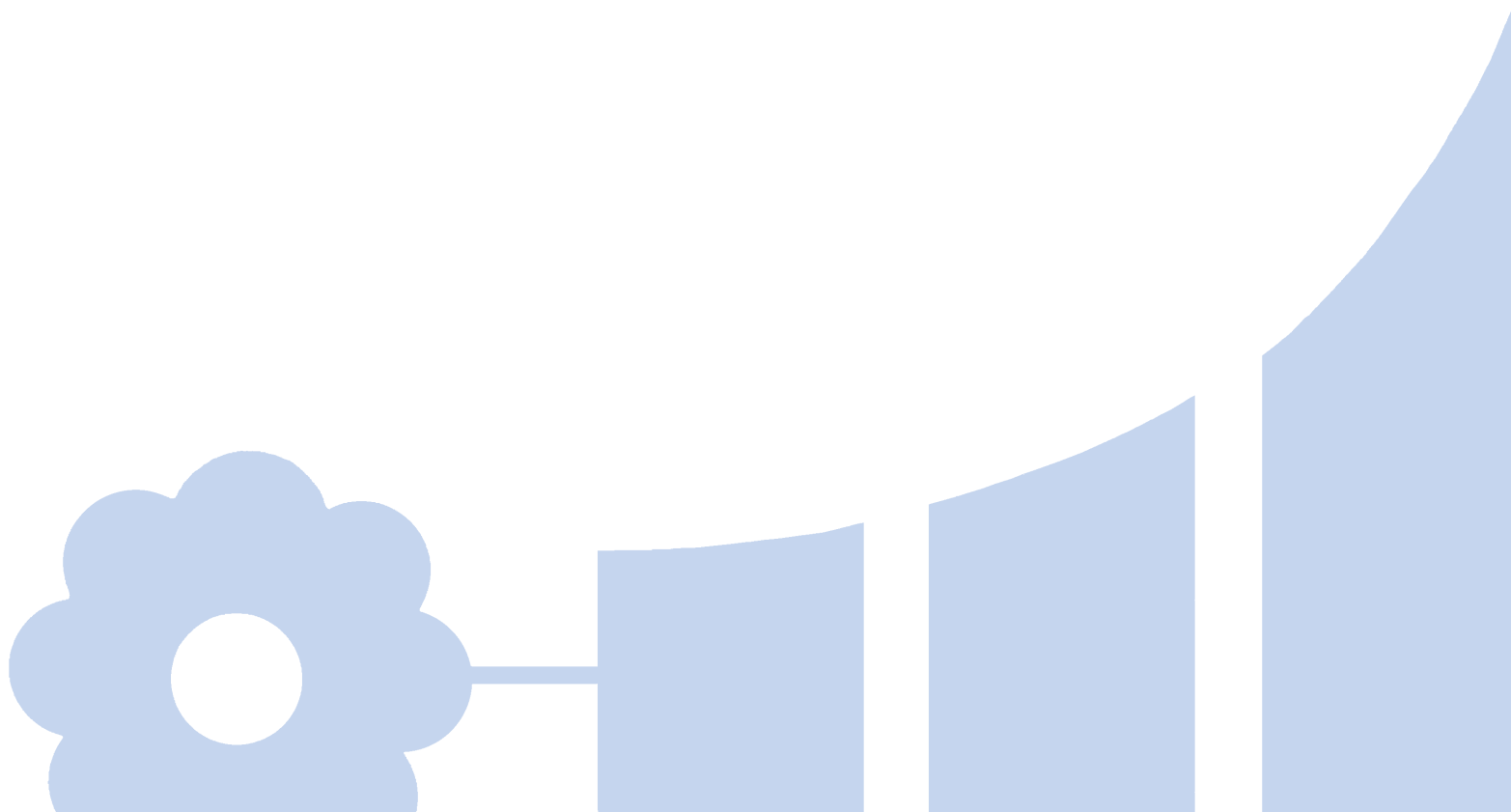
For the Board of Directors

Roberto Ruozi

Chairman

MEDIOLANUM GROUP

*CONSOLIDATED
ATTACHMENTS*



ATTACHMENT 1

ANALYSIS OF CHANGES IN INTANGIBLE ASSETS AT JUNE 30, 2003

Euro in thousands

Intangible assets	Opening situation			
	Historic cost	Accum. Amortis.	Opening balance	Additions
Start-up and expansion costs	44,791	(36,102)	8,689	0
Concessions, licences, trademarks and similar rights	18,589	(12,278)	6,311	1,827
Improvements on leased properties	2,629	(2,404)	225	45
Assets under formation and advances	80	0	80	517
Consolidation difference	165	(22)	143	0
TOTAL	66,254	(50,806)	15,448	2,389

ATTACHMENT 2

ANALYSIS OF CHANGES IN TANGIBLE FIXED ASSETS AT JUNE 30, 2003

Euro in thousands

Tangible assets	Opening situation			
	Historic cost	Accum. Amortis.	Opening balance	Additions
Land and buildings	78,361	(6,773)	71,588	0
Plant and machinery	221	(177)	44	0
Industrial and trade equipment	1,673	(1,037)	636	31
Other tangible fixed assets	14,025	(11,468)	2,557	87
Assets under formation and advances	0	0	0	0
TOTAL	94,280	(19,455)	74,825	118

Movements for the period			Closing situation		
Net disposals	Amortisation	Net reclassifications	Historic cost	Accum. Amortis.	Closing balance
0	(3,965)	0	44,791	(40,067)	4,724
0	(1,475)	(15)	20,401	(13,753)	6,648
0	(54)	0	2,674	(2,458)	216
0	0	15	612	0	612
0	(8)	0	165	(30)	135
0	(5,502)	0	68,643	(56,308)	12,335

Movements for the period			Closing situation		
Net disposals	Amortisation	Net reclassifications	Historic cost	Accum. Amortis.	Closing balance
0	(448)	0	78,361	(7,221)	71,140
0	(16)	0	221	(193)	28
0	(76)	0	1,704	(1,113)	591
0	(549)	0	14,112	(12,017)	2,095
0	0	0	0	0	0
0	(1,089)	0	94,398	(20,544)	73,854

ATTACHMENT 3

ANALYSIS OF CHANGES IN CONSOLIDATED CAPITAL AND RESERVES AT JUNE 30, 2003

<i>Euro in thousands</i>	Share capital	Net equity reserves	Consolidation reserve
Consolidated balance at December 31, 2002	72,537	131,131	118,388
Increase of paid-in share capital	30	73	
Allocation of profit for the period			
- payment of dividends out of profits			
- reserve		113,269	(5,903)
Adjustment of reserve for own shares		58	
Profit (loss) for the period			
Consolidated balance at June 30, 2003	72,567	244,531	112,485

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
99,210	77	2,014	82,049	505,406
				103
				0
			(72,499)	(72,499)
(97,816)			(9,550)	0
		(58)		0
			54,713	54,713
1,394	77	1,956	54,713	487,723

ATTACHMENT 4

Euro in thousands

30.06.2003

CONSOLIDATED CASH FLOW STATEMENT AT JUNE 30, 2003

Opening cash	368,855
Group profit (loss) for the period	54,713
Net amortisation, depreciation and provisions for risks and charges	7,155
Net gains on the disposal of fixed assets	0
Change in technical reserves net of reinsurance	613,140
Change in tax provision and other specific provisions	19,281
Net change in employee termination indemnity	(1,806)
Net change in payables and receivables with insurers and reinsurers	(21,616)
Net change in other receivables and payables and other assets and liabilities	(51,217)
Net change in accruals and prepayments and deferrals	(296)
Cash flow from operating activities	619,354
Net investments in intangible assets	(2,389)
Net investments in tangible fixed assets	(118)
Net increase in equity interests held	49,726
Own shares acquired	58
Net increase in other financial investments	(674,738)
Cash flow from investing activities	(627,461)
Utilisation of credit lines	(10,000)
Share capital increase	30
Change in capital and reserves of the Group	73
Cash flow from financing activities	(9,897)
Dividends distributed	(72,499)
Cash flow for the period	(90,503)
Closing cash and cash equivalents	278,352

MEDIOLANUM S.P.A.

*FINANCIAL STATEMENTS
AS AT JUNE 30,
2003*



Balance sheet

ASSETS

<i>Euro</i>	30.06.2003	31.12.2002	30.06.2002
A) Due from shareholders for share capital still to be paid in	0	0	0
B) Fixed assets			
I - Intangible assets:			
Start-up and expansion costs	616	860	174
Concessions, licences, trademarks and similar rights	1,380,364	1,670,252	1,195,908
Other intangible assets	110,522	136,500	182,035
Intangible assets under formation and advances	152,110	68,293	516,943
TOTAL INTANGIBLE ASSETS	1,643,612	1,875,905	1,895,060
II - Tangible fixed assets			
Other assets	1,837,037	2,178,519	2,364,814
Assets under formation/Payments on account	0	0	1,275
TOTAL TANGIBLE FIXED ASSETS	1,837,037	2,178,519	2,366,089
III - Financial assets			
Investments in:			
Controlled companies	481,127,565	475,454,677	475,454,677
Affiliated companies	25,811,586	25,811,586	25,811,586
Paid into fund for investment - controlled companies	0	5,670,888	0
Other companies	172,582,147	172,582,147	172,582,147
Accounts receivable:			
Due from controlled companies	1,329,375	1,328,908	2,103,125
Due from other companies	476,921	502,223	533,636
TOTAL FINANCIAL ASSETS	681,327,594	681,350,429	676,485,171
TOTAL FIXED ASSETS	684,808,243	685,404,853	680,746,320
C) Current assets			
I - Inventory	0	0	0
II - Accounts receivable:			
Due from customers	160,236	168,625	156,423
Due from controlled companies	13,380,585	134,113,848	13,025,506
Due from associated companies	6,000	33,835	33,835
Due from Fininvest Group and Doris Group companies	431,643	631,908	1,445,216
Due from others	20,455,385	50,532,901	19,660,449
TOTAL ACCOUNTS RECEIVABLE	34,433,849	185,481,117	34,321,429
III - Current financial assets			
Other investments	589	589	589
Own shares (total nom. value 38,500 euro)	1,956,181	2,014,439	1,020,837
Other securities	0	0	0
TOTAL FINANCIAL ASSETS	1,956,770	2,015,028	1,021,426
IV - Liquid assets			
Bank and postal deposits	28,233,638	5,872,532	9,078,277
Cash	10,678	10,552	11,899
TOTAL LIQUID ASSETS	28,244,316	5,883,084	9,090,176
TOTAL CURRENT ASSETS	64,634,935	193,379,229	44,433,031
D) Prepayments and accrued income			
Accrued income	92,637	6,881	69,885
Prepayments	485,511	135,862	437,893
TOTAL PREPAYMENTS AND ACCRUED INCOME	578,148	142,743	507,778
TOTAL ASSETS	750,021,326	878,926,825	725,687,129

Euro	30.06.2003	31.12.2002	30.06.2002
A) Capital and reserves			
I - Share capital	72,566,861	72,537,050	72,502,050
II - Share premium reserve	45,761,836	45,689,097	45,619,053
III - Revaluation reserve	0	0	0
IV - Legal reserve	17,362,794	17,362,794	17,362,794
V - Reserve for company's own shares	1,956,181	2,014,439	1,020,837
VI - Statutory reserve	0	0	0
VII - Other reserves:			
extraordinary reserve	181,477,254	68,078,368	69,071,971
VIII - Retained earnings (loss)	0	0	0
IX - Profit (loss) for the period	(7,656,554)	185,839,177	87,257,837
TOTAL CAPITAL AND RESERVES	311,468,372	391,520,925	292,834,542
B) Provisions for risks and charges			
Provision for taxes	0	0	0
Provision for deferred taxes	0	25,874,651	0
Other	422,282	422,282	1,970,925
TOTAL PROVISIONS FOR RISKS AND CHARGES	422,282	26,296,933	1,970,925
C) Employee termination indemnity	1,927,884	3,370,070	3,138,970
D) Accounts payable			
Bank debt	290,000,000	300,001,127	174,410,416
Due to other financiers	0	0	112,000,000
Due to trade accounts	2,650,232	2,942,757	3,496,529
Due to controlled companies	138,313,438	148,587,311	134,092,345
Due to Fininvest Group and Doris Group companies	737,811	232,963	296,641
Due to shareholders	4,851	4,851	4,851
Due to tax authorities	1,002,621	1,383,461	1,805,222
Due to social security institutions	443,793	827,396	790,774
Other accounts payable	1,153,322	1,356,914	239,817
TOTAL ACCOUNTS PAYABLE	434,306,068	455,336,780	427,136,595
E) Accruals and deferred income			
Accrued expenses	1,896,720	2,402,117	606,097
Deferred income	0	0	0
TOTAL ACCRUALS AND DEFERRED INCOME	1,896,720	2,402,117	606,097

SHAREHOLDERS' EQUITY AND LIABILITIES

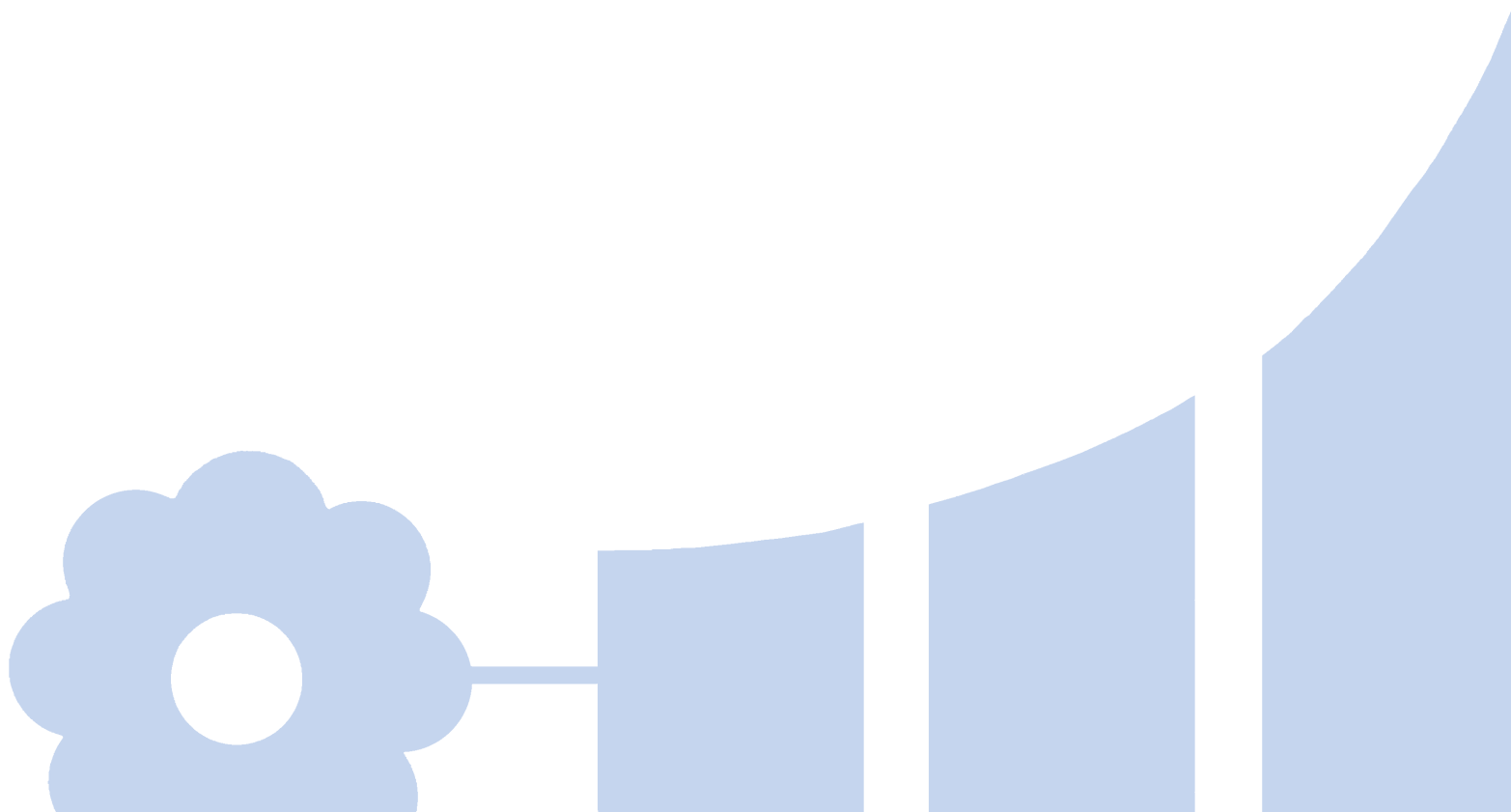
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	750,021,326	878,926,825	725,687,129
OFF-BALANCE SHEET ITEMS	9,120,719	9,120,719	10,899,933

Income statement

Euro	30.06.2003	31.12.2002	30.06.2002
A) Value of production			
1) Revenues from sales and services	73,386,026	177,424,718	87,518,973
5) Other revenues	3,851,194	3,693,211	2,309,551
TOTAL VALUE OF PRODUCTION	77,237,220	181,117,929	89,828,524
B) Cost of production			
6) Raw, ancillary, and consumable materials and goods:			
Purchase of sundry and consumable materials	(224,846)	(482,245)	(175,938)
7) Services received	(70,750,326)	(169,573,100)	(83,265,907)
8) Leases and rentals	(2,473,991)	(4,124,893)	(2,114,784)
9) Personnel costs:			
Wages and salaries	(4,604,145)	(12,816,141)	(7,176,048)
Social security contributions	(1,562,539)	(4,282,746)	(2,367,117)
Employee termination indemnity	(316,847)	(1,495,186)	(508,314)
Other personnel costs	(356,435)	(169,141)	(24,692)
10) Depreciation, amortisation and write-downs:			
Amortisation of intangible assets	(388,001)	(842,841)	(341,757)
Depreciation of tangible fixed assets	(420,040)	(842,082)	(429,459)
14) Sundry operating costs	(584,909)	(1,057,823)	(583,172)
TOTAL COST OF PRODUCTION	(81,682,079)	(195,686,198)	(96,987,188)
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION	(4,444,859)	(14,568,269)	(7,158,664)
C) Investment income and charges			
15) Income from investments:			
From controlled companies	0	132,003,106	108,051,580
From associated companies	607,344	0	0
From others	0	4,532,285	1,223,298
Gain on disposal of non-investment securities	0	152,509	152,509
16) Other financial income:			
From receivables from controlled companies included in fixed assets	16,704	64,235	33,761
From non-investment securities included in current assets	0	0	0
Other financial income	432,375	817,048	619,391
17) Interest and other investment charges:			
Paid to banks	(4,639,046)	(10,717,242)	(7,290,831)
Paid to controlled companies	(1,709,768)	(4,230,226)	0
Discounts and other investment charges	(102)	(664)	(140)
TOTAL INVESTMENT INCOME AND CHARGES	(5,292,493)	122,621,051	102,789,568
D) Adjustments to the value of financial investments			
19) Write-ups:			
Of non-investment financial assets	0	0	0
Of non-investment securities included in current assets	(135,559)	(269,625)	(233,709)
TOTAL ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	(135,559)	(269,625)	(233,709)
E) Extraordinary income and charges			
20) Income:			
Gain on disposals	0	9,890	9,890
Out of period revenues	46,111	576,057	66,447
Other income	0	108,051,581	0
21) Charges:			
Loss on disposals	0	(19,882)	(19,882)
Out of period expenses	(22,012)	(205,506)	(38,513)
Other charges	(1,161,246)	0	0
TOTAL EXTRAORDINARY ITEMS	(1,137,147)	108,412,140	17,942
PROFIT BEFORE TAXES	(11,010,058)	216,195,297	95,415,137
22) Income taxes for the period	3,353,504	(30,356,120)	(8,157,300)
PROFIT (LOSS) FOR THE PERIOD	(7,656,554)	185,839,177	87,257,837

MEDIOLANUM S.P.A.

ATTACHMENTS



Balance sheet pro-forma

<i>Euro</i>	30.06.2003	30.06.2002*	31.12.2002
ASSETS			
A) Due from shareholders for share capital still to be paid in	0	0	0
B) Fixed assets			
I - Intangible assets	1,643,612	1,895,060	1,875,905
II - Tangible fixed assets	1,837,037	2,366,089	2,178,519
III - Financial assets	681,327,594	676,485,171	681,350,429
TOTAL FIXED ASSETS	684,808,243	680,746,320	685,404,853
C) Current assets			
II - Accounts receivable:			
Due from customers	160,236	156,423	168,625
Due from controlled companies	13,380,585	13,025,506	134,113,848
Due from associated companies	6,000	33,835	33,835
Due from Fininvest Group and Doris Group companies	431,643	1,445,216	631,908
Due from others	20,455,385	19,660,449	50,532,901
TOTAL ACCOUNTS RECEIVABLE	34,433,849	34,321,429	185,481,117
III - Current financial assets:			
Other investments	589	589	589
Own shares (total nom. Value 38,500)	1,956,181	1,020,837	2,014,439
TOTAL FINANCIAL ASSETS	1,956,770	1,021,426	2,015,028
IV - Liquid assets	28,244,316	9,090,176	5,883,084
TOTAL CURRENT ASSETS	64,634,935	44,433,031	193,379,229
D) Prepayments and accrued income	578,148	507,778	142,743
TOTAL ASSETS	750,021,326	725,687,129	878,926,825

* These pro-forma Balance Sheets (30/06/02 and 31/12/02) are drawn up in relation to a change in posting dividends from controlled companies according to the accrual principle

Euro	30.06.2003	30.06.2002*	31.12.2002
A) Capital and reserves			
I - Share capital	72,566,861	72,502,050	72,537,050
II - Share premium reserve	45,761,836	45,619,053	45,689,097
IV - Legal reserve	17,362,794	17,362,794	17,362,794
V - Reserve for company's own shares	1,956,181	1,020,837	2,014,439
VII - Other reserves:			
Extraordinary reserve	181,477,254	69,071,971	68,078,368
VIII - Retained earnings (loss)	0	95,549,240	95,549,241
IX - Risultato del periodo	(7,656,554)	(8,291,403)	90,289,936
TOTAL CAPITAL AND RESERVES	311,468,372	292,834,542	391,520,925
B) Provisions for risks and charges			
Provision for deferred taxes	0	0	25,874,651
Other	422,282	1,970,925	422,282
TOTAL PROVISIONS FOR RISKS AND CHARGES	422,282	1,970,925	26,296,933
C) Employee termination indemnity	1,927,884	3,138,970	3,370,070
D) Accounts payable			
Due to tax authorities	1,002,621	1,805,222	1,383,461
Other accounts payable	433,303,447	425,331,373	453,953,319
TOTAL ACCOUNTS PAYABLE	434,306,068	427,136,595	455,336,780
E) Accruals and deferred income			
Accrued expenses	1,896,720	606,097	2,402,117
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	750,021,326	725,687,129	878,926,825
OFF-BALANCE SHEET ITEMS	9,120,719	10,899,933	9,120,719

SHAREHOLDERS' EQUITY AND LIABILITIES

* These pro-forma Balance Sheets (30/06/02 and 31/12/02) are drawn up in relation to a change in posting dividends from controlled companies according to the accrual principle

Income statement pro-forma

Euro	30.06.2003	30.06.2002*	31.12.2002*
A) Value of production			
1) Revenues from sales and services	73,386,026	87,518,973	177,424,718
5) Other revenues	3,851,194	2,309,551	3,693,211
TOTAL VALUE OF PRODUCTION	77,237,220	89,828,524	181,117,929
B) Cost of production			
6) Raw, ancillary and consumable materials and goods	224,846	175,938	482,245
7) Services received	70,750,326	83,265,907	169,573,100
8) Leases and rentals	2,473,991	2,114,784	4,124,893
9) Personnel costs	6,839,966	10,076,171	18,763,214
10) Depreciation, amortisation and write-downs	808,041	771,216	1,684,923
14) Sundry operating costs	584,909	583,172	1,057,823
TOTAL COST OF PRODUCTION	81,682,079	96,987,188	195,686,198
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION	(4,444,859)	(7,158,664)	(14,568,269)
C) Investment income and charges			
15) Income from investments:	607,344	1,223,298	136,535,391
Gain on disposal of non-investment securities included in current assets	0	152,509	152,509
16) Other investment income	449,079	653,152	881,283
17) Interest and other investment charges	(6,348,916)	(7,290,971)	(14,948,132)
TOTAL INVESTMENT INCOME AND CHARGES	(5,292,493)	(5,262,012)	122,621,051
D) Adjustments to the value of financial investments			
19) Write-downs	(135,559)	(233,709)	(269,625)
TOTAL ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	(135,559)	(233,709)	(269,625)
E) Extraordinary income and charges			
20) Income:	46,111	76,337	585,947
Other for change in dividend posting criteria	0	0	0
21)) Charges	(1,183,258)	(58,395)	(225,388)
TOTAL EXTRAORDINARY ITEMS	(1,137,147)	17,942	360,559
PROFIT BEFORE TAXES	(11,010,058)	(12,636,443)	108,143,716
22) Income taxes for the period	3,353,504	4,345,040	(17,853,780)
PROFIT (LOSS) FOR THE PERIOD	(7,656,554)	(8,291,403)	90,289,936

* These pro-forma Balance Sheets (30/06/02 and 31/12/02) are drawn up in relation to a change in posting dividends from controlled companies according to the accrual principle

TABLE OF SHAREHOLDINGS
AS PER ART. 125
OF CONSOB REGULATION
NO. 11971/1999
REFERENCE DATE
JUNE 30, 2003

Company name	Country	Total % holding
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
Bankhaus August Lenz & Co. AG	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	84.96
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.	Principality of 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 %
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.	81.04
	Tanami S.A.	3.92
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 S.A.	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.	49.00
indirect control	Banca Mediolanum S.p.A.	51.00
direct control	Mediolanum S.p.A.	100.00
direct control	Mediolanum S.p.A.	100.00
direct control	Mediolanum S.p.A.	49.00
indirect control	Banca Mediolanum S.p.A.	51.00
direct control	Mediolanum S.p.A.	49.00
indirect control	Banca Mediolanum S.p.A.	51.00
direct control	Mediolanum S.p.A.	100.00
direct control	Mediolanum S.p.A.	0.003
indirect control	Banca Mediolanum S.p.A.	99.997
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

**AUDITORS' REPORT ON THE REVIEW
OF THE MANAGEMENT REPORT
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2003 OF
MEDIOLANUM S.p.A.**
(Translation from the original Italian version)

To the Shareholders of
Mediolanum S.p.A.

1. We have performed the review of the Management Report of Mediolanum S.p.A. for the semi-annual period ended June 30, 2003 represented by the statements of Consolidated Balance Sheet and Consolidated Statement of Income and related Notes (the "statements"). We have also reviewed that part of the financial information presented by the Board of Directors in the Management Report with respect of their discussions and analyses of the consolidated operations of Mediolanum S.p.A., solely for the purpose of evaluating its consistency with the above mentioned statements and related Notes.
2. Our review was conducted in accordance with auditing standards governing review of interim financial statements recommended by CONSOB (the Italian Stock Exchange Regulatory Agency) in its resolution No. 10867 of July 31, 1997. A review consists mainly of obtaining information with respect to the accounts included in the statements identified in paragraph 1 of this report and the consistency of the accounting principles applied through discussions with appropriate members of management, and analytical procedures applied to the financial data presented in such statements. A review does not include performing auditing procedures such as tests of compliance of internal controls and substantive procedures on assets and liabilities. Consequently, the scope of a review engagement provides significantly less assurance than a full scope audit performed in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the statements identified and related Notes identified in paragraph 1 of this report of Mediolanum S.p.A. as of and for the six months period ended June 30, 2003 as we do in connection with reporting on our full scope audit of the annual consolidated financial statements of Mediolanum S.p.A.
3. With respect to the consolidated comparative data as of and for the year ended December 31, 2002 and for the six months period ended June 30, 2002, reference should be made to our audit and review reports issued on April 10, 2003 and on September 27, 2002 respectively.

4. Based on our review, we did not become aware of any significant modifications that should be made to the consolidated statements and related Notes identified in paragraph 1 of this report, in order for them to be in conformity with the criteria for the presentation of the semi-annual Management Report, stated by art. 81 of CONSOB regulations as approved in its resolution No. 11971 of May 14, 1999 and subsequent modifications.

Milan, September 29, 2003

Reconta Ernst & Young S.p.A.
Signed by: Natale Freddi

Tillinghast-Towers Perrin

Milan, 10 September 2003

Egregio signor
Ennio Doris
Amministratore Delegato
Mediolanum S.p.A.
Via F. Sforza – Milano 3 City
20080 **BASIGLIO** (MI)

Egregio signor Doris,

EMBEDDED VALUE AND EMBEDDED VALUE EARNINGS

Tillinghast, management consultants and actuaries, has assisted the Mediolanum Group regarding the methodology to be used, the derivation of the assumptions and the calculation of the embedded value of the Group as at 30 June 2003, 31 December 2002 and 30 June 2002 and of the embedded value earnings in the first half of 2003 and 2002 and in the year 2002. The estimates of value calculated by Tillinghast are based on information provided by the Group, we have reviewed this information for reasonableness and consistency with our knowledge of the industry, without undertaking independent checks of the data and other information supplied.

The principal results at a consolidated level, calculated using realistic operating, fiscal and economic assumptions considered appropriate at the respective valuation dates, are shown in the following table. The discount rate used was, respectively, 6.75%, 7.25% and 7.75%, and the value of in-force life business is shown after the cost of holding solvency capital at 100% of the EU minimum margin.

Embedded Value (Euro million)	30.06.2003	31.12.2002	30.06.2002
Adjusted net worth (including goodwill)	493	508	458
Elimination of outstanding goodwill	(147)	(156)	(167)
Value of in-force Life business	1,232	1,168	1,147
Value of in-force Asset Management business	303	296	348
Embedded Value	1,881	1,816	1,786

Tillinghast - Towers Perrin


The following table shows the principal components of the Group's embedded value earnings in the first half of 2003 and 2002 and in the year 2002.

Embedded Value Earnings (Euro million)			
	1st half 2003	2002	1st half 2002
Expected return	59	126	59
Experience variances	26	(265)	(84)
Operating assumption changes	-	111	18
Economic assumption changes	(21)	(61)	0
Conversion of fund business	-	(16)	(14)
Reinvestment of fund conversions in GPF/Mix	-	35	29
Life business transformations	0	5	2
New Life business	61	161	82
New Asset Management business	12	51	26
Impact of acquisitions in the period	-	(27)	(28)
Embedded value earnings	137	120	90

Tillinghast considers that the methodology and the assumptions used to calculate the embedded values and the embedded value earnings are reasonable and in accordance with sound actuarial principles and the resulting values, as shown in this letter, are reasonable.

Yours sincerely


Andrew Milton
Fellow of the Institute of Actuaries


Vittorio Chimenti
Attuario

*Progetto grafico
e consulenza editoriale*

Bridge editore srl
Milano