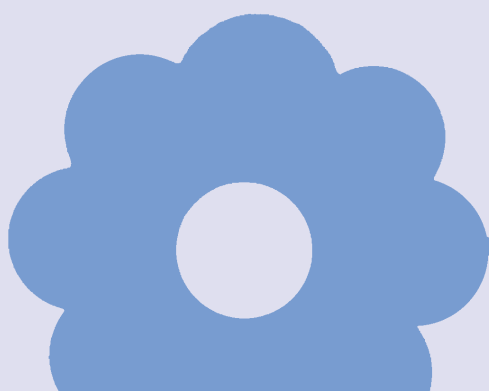


MEDIOLANUM S.P.A.

*HALF-YEAR
RESULTS
AS AT JUNE 30,
2004*



MEDIOLANUM
MEDIOLANUM GROUP

Summary

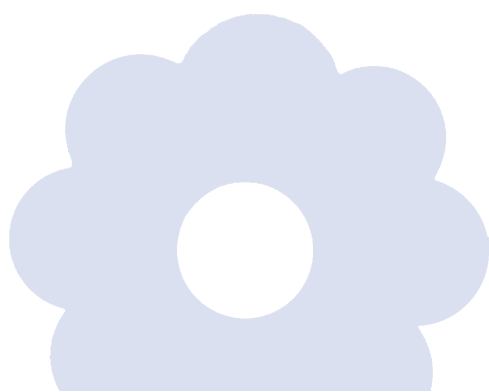
- 1** Half-Year Results as at June 30, 2004
 - 2** Mediolanum S.p.A. Officers of the company and corporate structure
 - 4** Consolidated financial statements as at June 30, 2004
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MEDIOLANUM S.P.A.

*HALF-YEAR
RESULTS
AS AT JUNE 30,
2004*



MEDIOLANUM
MEDIOLANUM GROUP

Mediolanum S.p.A. Officers of the company

BOARD OF DIRECTORS

Roberto Ruozì	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

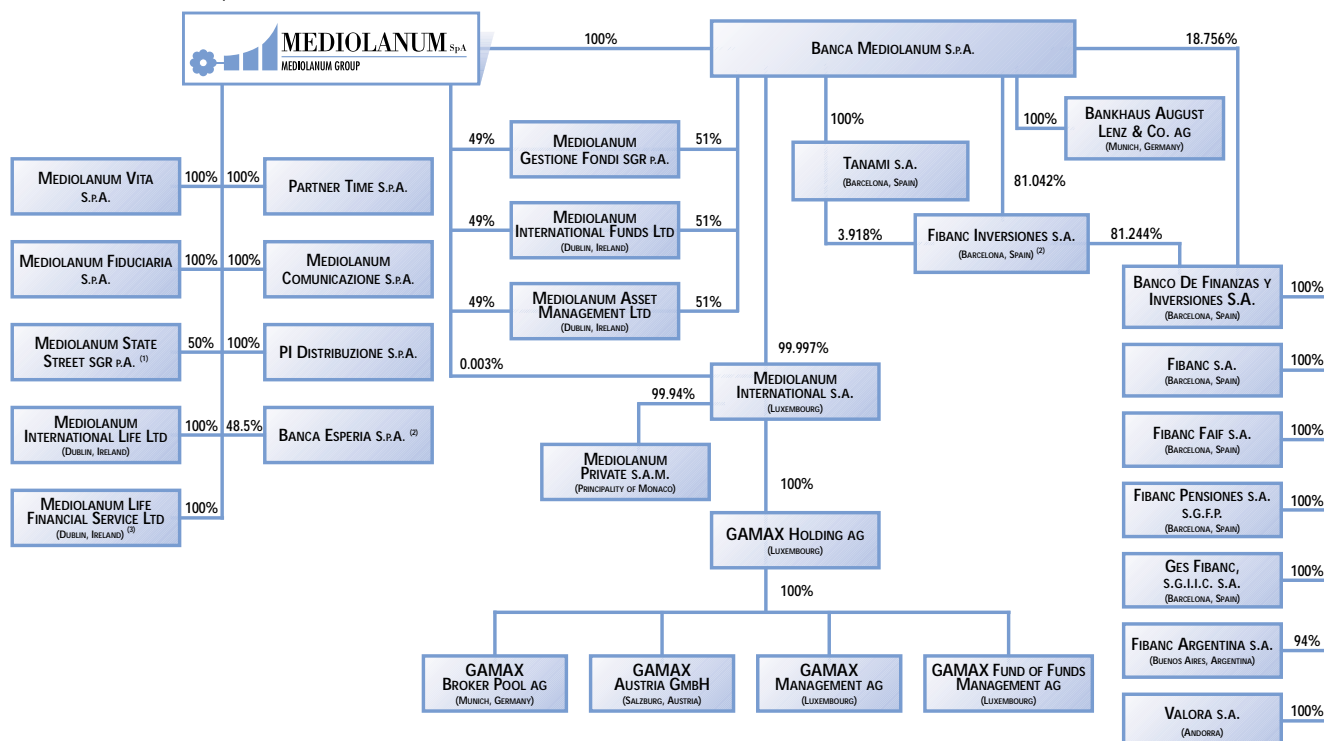
Luca Maria Rovere

INDEPENDENT AUDITORS

Reconta Ernst & Young S.p.A.

CORPORATE STRUCTURE

UPDATED TO JUNE 30, 2004



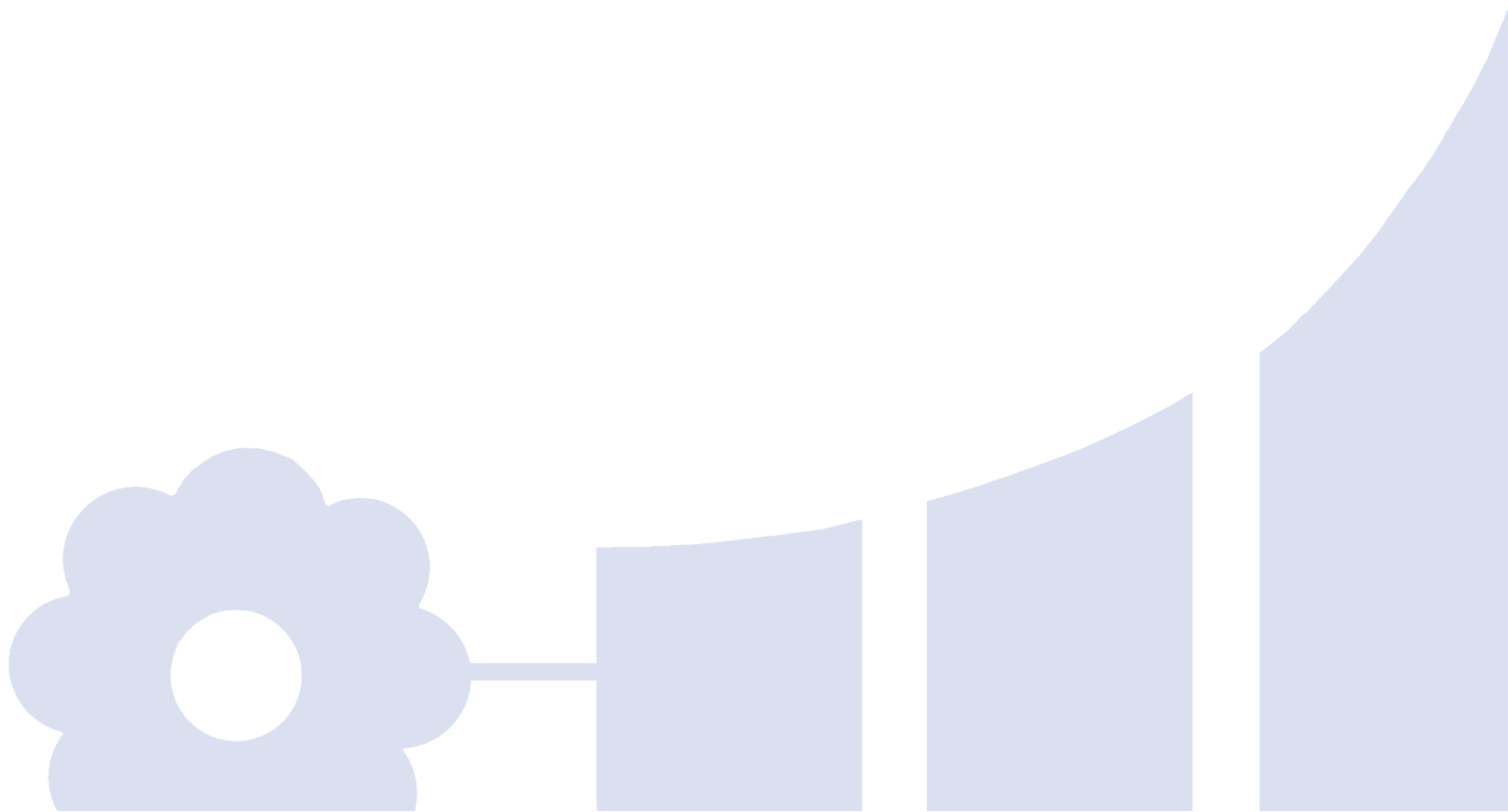
(1) As of March 22, 1999 the remaining 50% of the capital is held by State Street Bank Europe Ltd.

(2) The remaining capital is held by third parties.

(3) Winding-up company.

MEDIOLANUM GROUP

*CONSOLIDATED
FINANCIAL STATEMENTS
AS AT JUNE 30,
2004*



Balance Sheet

ASSETS

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
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	7,020	8,566	12,200
3. Consolidation difference	118	126	135
TOTAL INTANGIBLE ASSETS	7,138	8,692	12,335
C) Investments			
I - Land and buildings	69,694	70,800	71,140
II - Investments in Group companies and other shareholdings			
1. Shares and quotas	634,307	671,843	596,897
2. Bonds	0	0	0
3. Financial loan	0	50,489	179,277
TOTAL INVESTMENT IN GROUP COMPANIES AND OTHER SHAREHOLDINGS	634,307	722,332	776,174
III - Other financial investments			
1. Shares and quotas	0	0	2,880
2. Mutual fund shares	49,586	46,862	43,302
3. Bonds and other fixed income securities	1,175,326	1,017,041	846,234
4. Financial loans	12,113	13,181	15,917
5. Other financial investments	24,879	2,246	3,594
TOTAL OTHER FINANCIAL INVESTMENTS	1,261,904	1,079,330	911,927
IV - Funds held by ceding companies	0	0	0
TOTAL INVESTMENTS	1,965,905	1,872,462	1,759,241
D) Investments on behalf of Life policyholders, carrying the risk and from pension fund management	8,204,692	7,187,635	6,087,766
D bis) Reinsurers' share of technical reserves			
I - Non-Life	0	0	0
II - Life	109,449	111,525	116,376
(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	109,449	111,525	116,376
E) Receivables			
I - Due from direct insurance operations	10,804	6,287	10,222
II - Due from reinsurance operations	785	3	1,319
III - Other receivables	81,267	114,797	109,726
TOTAL RECEIVABLES	92,856	121,087	121,267
F) Other assets			
I - Tangible assets	1,885	2,231	2,714
II - Liquid assets	170,162	284,177	278,352
III - Own shares or quotas	2,035	2,092	1,956
IV - Other assets	564	321	17
TOTAL OTHER ASSETS	174,646	288,821	283,039
G) Pre-payments and accrued income	22,741	20,698	21,773
TOTAL ASSETS	10,577,427	9,610,920	8,401,797

Euro in thousands

30.06.2004

31.12.2003

30.06.2003

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

I - Pertaining to the Group:			
1. Subscribed capital or equivalent	72,567	72,567	72,567
2. Net equity reserves	243,844	244,397	244,531
3. Consolidation reserve	116,197	112,485	112,485
4. Reserve for difference in valuation regarding shares in non-consolidated companies	47,938	1,394	1,394
5. Reserve for exchange rate difference	77	77	77
6. Reserves for own shares and shares of the parent company	2,035	2,091	1,956
7. Profit (loss) for the period	76,838	129,427	54,713
TOTAL GROUP SHAREHOLDERS' EQUITY	559,496	562,438	487,723
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	559,496	562,438	487,723

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	1,184,136	1,224,294	1,244,914
2. Reserve for amounts to be paid	53,210	61,850	32,975
3. Other	56,451	56,613	51,892
TOTAL LIFE	1,293,797	1,342,757	1,329,781
TOTAL TECHNICAL RESERVES	1,293,797	1,342,757	1,329,781

D) Technical reserves when the risk is carried by policyholders and reserves from pension fund management

	8,203,307	7,187,025	6,087,152
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E) Provisions for risks and charges

	14,217	41,814	38,512
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F) Deposits received from reinsurers

	108,153	109,000	113,707
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G) Payables and other liabilities

I - Due to direct insurance operations	2,138	3,674	3,001
II - Due to reinsurance operations	439	1,544	1,596
III - Debenture loans	0	0	0
IV - Amounts owed to credit institutions	250,000	290,000	290,000
V - Other loans and other financial debt	83,789	0	1,830
VI - Employee termination indemnity	2,712	3,103	3,143
VII - Other liabilities	57,737	68,152	43,270
TOTAL PAYABLES AND OTHER LIABILITIES	396,815	366,473	342,840

H) Accruals and deferred income

	1,642	1,413	2,082
--	-------	-------	-------

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES

	10,577,427	9,610,920	8,401,797
--	------------	-----------	-----------

Off-balance sheet items

I - Guarantees given	539	1,119	1,119
II - Guarantees given or received by third parties in the interest of companies included in consolidation	11,362	11,362	11,362
III - Obligations	312,385	20,000	9,155
IV - Pension fund assets managed on behalf of third parties	0	0	0
V - Other off-balance sheet items	11,347,321	10,023,553	8,227,224
TOTAL OFF-BALANCE SHEET ITEMS	11,671,607	10,056,034	8,248,860

Income statement

TECHNICAL ACCOUNT OF LIFE BUSINESS

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
1. Earned premiums, net of reinsurance	1,194,534	863,235	2,124,977
2. (+) Allocated investment return transferred from the non-technical account	18,250	20,588	40,313
3. Unrealised gains on investments on behalf of Life policyholders carrying the risk and from pension fund management	532,425	409,012	841,673
4. Other technical income, net of reinsurance	31,819	26,504	55,266
5. Claims incurred, net of amounts recovered and reinsurance	(453,616)	(325,582)	(632,859)
6. Change in mathematical reserves and other technical reserves, net of reinsurance			
a) Mathematical reserves, premium reserves of complementary insurance and other technical reserves	44,382	103,697	117,142
b) Life insurance reserves when the risk is carried by policyholders and from pension fund management	(1,021,205)	(733,737)	(1,836,680)
TOTAL CHANGE IN NET RESERVES	(976,823)	(630,040)	(1,719,538)
7. Refunds and profit sharing, net of reinsurance	0	0	0
8. Operating expenses			
a) Acquisition commissions net of reinsurers' commissions and profit sharing	(87,391)	(72,673)	(161,728)
b) Administrative expenses	(7,757)	(6,962)	(12,887)
TOTAL OPERATING EXPENSES	(95,148)	(79,635)	(174,615)
9. Unrealised loss on investments on behalf of Life policyholders carrying the risk and from pension fund management	(209,882)	(256,217)	(484,353)
10. Other technical charges, net of reinsurance	(1,739)	(2,136)	(3,182)
11. Total technical account of Life business	39,820	25,729	47,682

Euro in thousands

30.06.2004 30.06.2003 31.12.2003

**NON-TECHNICAL
ACCOUNT**

	30.06.2004	30.06.2003	31.12.2003
1. Total technical account of non-Life business	0	0	0
2. Total technical account of Life business	39,820	25,729	47,682
3. Investment income			
a) Investment income	83,648	71,633	169,812
b) Adjustments to the value of financial investments	1,411	1,754	1,928
c) Gains on the realisation of investments	6,989	16,447	21,334
TOTAL INVESTMENT INCOME	92,048	89,834	193,074
4. Financial burden and losses on assets			
a) Investment management expense and interest on bank loans	(4,114)	(3,589)	(7,605)
b) Adjustments to the value of investments	(6,868)	(2,640)	(2,460)
c) Losses on the realisation of investments	(1,769)	(13,420)	(17,941)
TOTAL FINANCIAL BURDEN AND LOSSES ON ASSETS	(12,751)	(19,649)	(28,006)
5. (-) Allocated investment return transferred to the technical account of Life business	(18,250)	(20,588)	(40,313)
6. Other revenues	5,577	6,994	12,125
7. Other charges	(18,477)	(27,724)	(53,528)
8. Total ordinary operations	87,967	54,596	131,034
9. Extraordinary income	663	12,306	13,427
10. Extraordinary charges	(507)	(4,729)	(6,036)
11. Total extraordinary operations	156	7,577	7,391
12. Profit before taxes	88,123	62,173	138,425
13. Income tax for the period	(11,285)	(7,460)	(8,998)
14. Consolidated results	76,838	54,713	129,427
15. Profit (loss) for the year from minority interests	0	0	0
16. Group profit (loss) for the period	76,838	54,713	129,427

Explanatory and
supplementary
notes to the
consolidated
financial
statements
as at June 30, 2004

**A) INFORMATION
ON OPERATIONS**

The present half-year report has been prepared according to the insurance format, which requires line-by-line consolidation of the companies in the insurance business or associated activities and valuation by the equity method for the other Group companies, in particular the companies operating in banking and assets management. Nevertheless, as occurs with the annual financial statements, to provide adequate information on the activities of the Group in its entirety and comment its performance, this note refers to the consolidated income statements of the Mediolanum Group, the financial statements of the subsidiaries excluded from the insurance consolidation, particularly the financial statements of Mediolanum S.p.A., and the assets management companies, consolidated by the line-by-line method.

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

The company 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 by the line-by-line method.

The controlled companies Mediolanum Gestione Fondi SGR p.A., Mediolanum International Funds Ltd, Mediolanum Asset Management Ltd, Mediolanum State Street SGR p.A., PI Distribution S.p.A., Mediolanum Comunicazione S.p.A., Mediolanum Fiduciaria S.p.A., Banca Esperia Group and Banca Mediolanum S.p.A., and indirectly the companies controlled by it, Bankhaus August Lenz & Co. AG, Tanami S.A. and the Fibanc Group companies, Mediolanum International S.A., and its subsidiaries Mediolanum Private S.A.M. and Gamax Group companies, were consolidated by the equity method. The controlled companies Mediolanum Life Financial Service Ltd and Fibanc Argentina S.A. were valued at cost.

**PERFORMANCE
OF THE GROUP**

The world economy registered good growth in the first half of 2004, though intensity varied among the geographical areas, while the financial markets expressed high volatility due to the growing uncertainties in consumption patterns.

In this context, the Mediolanum Group generated an excellent consolidated result, closing at June 30, 2004 with a net earnings of 76,838 thousand euro, with an increase of 40.4% over the same period of the previous year (30.06.2003: 54,713 thousand euro).

The principal factors in this result were the significant increase in premiums on Life policies and the increased commissions in the home mortgage and asset management sectors.

Net Group inflows were positive for a total of amount of 1 billion euro, contributing significantly to the growth of administered assets.

The total assets under administration at June 30, 2004 amounted to 24,946.3 million euro, with an increase of 12.9% as regards to June 30, 2003 (22,102.7 million euro) and 6.1% higher than at December 31, 2003 (23,513.8 million euro).

The economic recovery during the period was particularly evident in the economies of the emerging countries with strong trade ties with the United States. This extended to Japan and only marginally to Europe, where the economy is suffering the effects of structural rigidity and the exchange rate of the euro against the principal currencies is penalizing exports.

Growing uncertainty over the future dynamics of consumption and aggregate demand, with the leap in petroleum prices, has conditioned the performance of the financial markets and aggravated the volatility in securities prices.

Economic growth since the spring has consequently been accompanied by stronger inflationary pressure, fueled by increases in the prices of raw materials and real estate, which convinced the Federal Reserve, in its meeting of June 30, 2004, to boost the official interest rates from 1% to 1.25%, terminating the downward cycle of recent years and initiating a restrictive cycle in monetary policy which will lead to future moderate increases during the year.

The Bank of England had anticipated the change in course by the central banks by raising rates from 3.75% to 4.5% in three steps during the half-year, while the ECB left rates unchanged at 2%.

The reaction of small investors produced an increase in the risk premium for equity investments, still considered risky, and a heavy flow of savings into money-market and real estate investments.

THE MARKETS IN WHICH THE GROUP OPERATES

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

To facilitate a comparison with the first half-year of 2003, and better understand the operational aspects, the following discussion of Mediolanum Group performance excludes the Fibanc Group, Mediolanum International S.A, Mediolanum Private S.A.M., Bankhaus August Lenz & Co. AG, the Gamax Group and the Banca Esperia Group.

The performance and results of those companies, the so-called “New Ventures”, will be examined later in a specific section.

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

THE BANKING MARKET

Banca Mediolanum S.p.A. closed the first half-year of 2004 with a net loss of 3,686 thousand euro, against a positive result of 3,230 thousand euro in the first half of 2003.

The half-year situation of the bank's accounts – which does not reflect the dividends from subsidiaries, reported on a time-accrual basis in the absence of the conditions necessary for registering them – shows a profit before taxes of 450 thousand euro, versus 5,796 thousand euro for first half of 2003, a decrease of 5,346 thousand euro. This decrease was caused primarily by value adjustments to financial fixed assets totalling 5,200 thousand euro, reflecting payments to subsidiary Bankhaus August Lenz & Co. AG to cover losses.

Net deposits from customers declined by 74.7 million euro, due in part to the growth of inflows to wealth management services, which drained off funds toward those sectors.

The number of active current accounts at June 30, 2004 was 333,994 (332,727 at 30.06.2003: 332,700 at 31.12.2003).

The total assets under administration at June 30, 2004 were equal to 4,503 million euro, compared to 5,170 million euro a year earlier (-13%). This result reflected in part a commercial action to promote greater diversification of investments by placing a greater emphasis on assets management.

The interest margin amounted to 22,558 thousand euro, against 24,659 thousand euro for the first half of 2003, caused by a combination of declining balances in customer accounts and a general decline in interest rates.

Commissions earned totaled 148,224 thousand euro, with a significant increase (+18%) generated primarily by the positive inflows to assets management, particularly through life policies. At the same time, the commissions paid to the sales network, equal to 93,721 thousand euro, grew at a slower rate than commissions earned (+16.9%).

In particular, in the home mortgage sector, there was a surge in new mortgages during the period on behalf of Unicredito Banca, per an amount equal to 236 million euro, with an increase of 143% compared to the figure for the first half of 2003 (97 million euro).

Then, in the month of June, Banca Mediolanum S.p.A. began issuing mortgages directly.

The total number of customers – holders of current accounts or financial/insurance products placed by Banca Mediolanum S.p.A – was 782,000, versus 766,000 at June 30, 2003 and 778,200 at December 31, 2003.

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

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Banca Mediolanum S.p.A.	(3,686)	3,230	45,010

The gross inflows to mutual funds and managed accounts was 841 million euro, with an increase of 2.4% compared to the same period of the previous year (821 million euro). Despite the uncertainty in the financial markets, net inflows remained positive by an amount of 76 million euro (30.06.2003: 320 million euro).

The assets under management at June 30, 2004 totaled 10,812 million euro, with an increase of 18.9% compared to June 30, 2003 and 8.04% compared to December 31, 2003 (30.06.2003: 9,090.3 million euro; 31.12.2003: 10,007.5 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>	30.06.2004	30.06.2003	31.12.2003
Mediolanum Gestione Fondi SGR p.A.	4,069	1,827	6,897
Mediolanum International Funds Ltd	66,728	55,266	119,778

The improved half-year results for both companies are attributable to higher management fees and performance generated by an increase in the value of assets under management, due in part to a rising securities prices.

THE LIFE BUSINESS

The total inflows for the period were equal to 1,147 million euro, with an increase of 37.1% compared to the same period of 2003 (30.06.2003: 836 million euro).

New production was equal to 740 million euro, with an increase of 52.4% over the same period of the previous year (485 million euro).

Subsequent year premiums reached 69 million euro with an increase of 23.6% compared to 30.06.2003 (56 million euro).

Single premiums registered an increase of 56.2% compared to 30.06.2003, rising from 429 million euro to 671 million euro at June 30, 2004.

Administered Life assets at the end of the period were 9,370.6 million euro, with an increase of the 27.2% compared to the level a year earlier (30.06.2003: 7,366.9 million euro; 31.12.2003: 8,447 million euro, +10.9%).

Net profit 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>	30.06.2004	30.06.2003	31.12.2003
Mediolanum Vita S.p.A.	16,838	15,625	14,865
Partner Time S.p.A.	(149)	904	1,548
Mediolanum International Life Ltd	2,469	(461)	1,361

The result of Partner Time S.p.A. for the period reflects the sharp decline in policy placement activity, with premiums written dropping from 4 million euro in the first half-year 2003 to 2 million euro at June 30, 2004.

The total premiums written by Mediolanum International Life in the period was 160.7 million euro, of which 50.9 million euro (30.06.2003: 31 million euro; +64.5%) related to insurance products distributed in Spain and Germany through the sales networks of the Fibanc and Gamax groups and Bankhaus August Lenz & Co. AG.

OTHER PRODUCTS

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

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Mediolanum Asset Management Ltd	1,630	939	2,525
Mediolanum State Street SGR p.A.	276	358	610
Mediolanum Comunicazione S.p.A.	84	42	113
PI Distribuzione S.p.A.	18	23	4
Mediolanum Fiduciaria S.p.A.	(10)	(14)	(26)

NEW VENTURES
THE FIBANC GROUP

The Fibanc Group closed the first half-year 2004 with a consolidated net result of 662 thousand euro, compared to 460 thousand euro for the same period of the previous year. In particular, the result before taxes and extraordinary items was 971 thousand euro, with an increase of 105% over the equivalent value of the last year (474 thousand euro).

The reorganization of the sales network to transform the sales force into an increasing number of *Global Consultants* rose these figures from 260 at June 30, 2003 to 407 at June 30, 2004.

At the end of June the sales network was composed of a total of 568 consultants, 40% more than a year earlier (405 consultants).

Volumes of the Fibanc Group

<i>Euro in millions</i>	30.06.2004	30.06.2003	31.12.2003
Assets under administration	1,953	1,944	1,942
Gross inflows	167	270	538
Net inflows	11	103	145

Employees

<i>Units</i>	30.06.2004	30.06.2003	31.12.2003
Clerical personnel	217	246	221
Managerial	13	18	19
TOTAL	230	264	240

Net profit of the Fibanc Group

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Fibanc Group	662	460	544

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.

**MEDIOLANUM
INTERNATIONAL S.A.**

Net profit of Mediolanum International S.A.

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Mediolanum International S.A.	(287)	(190)	(8,924)

GAMAX GROUP

In the first half of 2004 the Gamax Group had consolidated net earnings of 800 thousand euro, versus a loss of 708 thousand euro for the same period of 2003. In particular, earnings before taxes and extraordinary items were a positive 1,417 thousand euro, compared to a negative value of 770 thousand euro at June 30, 2003.

This result was achieved thanks to a policy last year of optimizing costs and through the introduction of performance fees on the funds managed by Gamax.

Volumes of the Gamax Group

<i>Euro in millions</i>	30.06.2004	30.06.2003	31.12.2003
Assets under administration	420	420	430
Gross inflows *	56	55	113
Net inflows	(25)	(8)	(14)

(*) The data related to 30.06.2003 refer only to own funds. For the purpose of comparison, the value of the past half-year was adjusted to include outside funds.

Employees

<i>Units</i>	30.06.2004	30.06.2003	31.12.2003
Clerical personnel	21	18	24
Managerial	5	5	5
TOTAL	26	23	29

The sales network at June 30, 2004 was composed of 573 non-exclusive agents (689 agents at December 31, 2003), 460 of whom were in Germany and 113 in Austria.

Net profit of the Gamax Group

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Gamax Group	800	(708)	(293)

MEDIOLANUM PRIVATE S.A.M.

In the month of February this subsidiary of Mediolanum International S.A. acquired the equity interest owned by Compagnie Monegasque de Banque, increasing its ownership to 99.94%.

Last May the Board of Directors of Mediolanum Private S.A.M. resolved to stop soliciting new assets and to gradually close its existing administration accounts with clients.

Net profit of Mediolanum Private S.A.M.

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Mediolanum Private S.A.M.	(357)	(243)	(7)

Volumes of Mediolanum Private S.A.M.

<i>Euro in millions</i>	30.06.2004	30.06.2003	31.12.2003
Assets under administration	11	9	14
Gross inflows	1	4	10
Net inflows	(5)	3	8

The operating structure consists of one manager and one office employee.

Bankhaus August Lenz & Co. AG closed the half-year period with a loss of 324 euro thousand, after booking the coverage of 5,200 thousand euro in losses during the year, versus a loss of 3,914 thousand euro in the first half of 2003.

The primary reasons for this result is that revenues are still insufficient to cover structural and start-up costs.

At the end of the period the sales network was composed of 86 exclusive agents (30.06.2003: 84 agents).

The development plan is now focusing on the introduction of new personnel with no experience but with high potential to become Global Consultants. To achieve this, the team of Italian supervisors for network development and training has been strengthened.

On June 30, 2004 the number of first-time accounts reached 7,427 (30.06.2003: 1,284).

Net profit of Bankhaus August Lenz & Co. AG

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Bankhaus August Lenz & Co. AG	(324)*	(3,914)	(74)

(*) The loss for the period is reported net of loss coverage during the year of 5,200 thousand euro. The loss for the period before loss coverage was 5,524 thousand euro.

During the period the staff increased to 38 persons versus 25 on board at June 30, 2003.

**BANKHAUS AUGUST LENZ
& CO. AG**

Volumes of Bankhaus August Lenz & Co. AG

<i>Euro in millions</i>	30.06.2004	30.06.2003	31.12.2003
Assets under administration	169.1	4.5	73.8
Gross inflows	97.3	4.6	74.8
Net inflows	95.8	4.6	74.8

Employees

<i>Units</i>	30.06.2004	30.06.2003	31.12.2003
Clerical personnel	34	23	30
Managerial	4	2	2
TOTAL	38	25	32

BANCA ESPERIA GROUP

Banca Esperia S.p.A., a 50-50 joint venture of Mediobanca and Mediolanum that operates in private banking, controls a banking group consisting of a funds management firm, Duemme SGR p.A., and a hedge funds management company, Duemme Hedge SGR p.A..

Banca Esperia focuses its activity on the integrated management of large family assets with highly personalized service. The offering of private banking service is based on four essential elements: portfolio management activities, consulting, financing and service activities.

At June 30, 2004 the number of private bankers was 44 (30.06.2003: 35; 31.12.2003: 44).

Volumes of the Banca Esperia Banking Group

<i>Euro in millions</i>	30.06.2004	30.06.2003	31.12.2003
Assets under administration *	3,709	3,612	3,102
Gross inflows	1,082	1,463	2,421
Net inflows	569	481	1,148

(*) The value of administered assets is shown net of the SICAVs subscribed by Banca Esperia clients within their individual accounts.

Net profit of the Banca Esperia Banking Group

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Banca Esperia Group	1,806	(3,308)	1,970

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

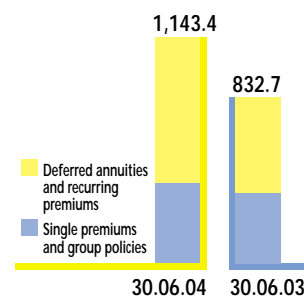
Inflows of managed account products

<i>Euro in millions</i>	30.06.2004	30.06.2003	% change	31.12.2003
"Core Business"				
MANAGED SAVINGS				
Life Insurance products				
<i>New Business</i>				
- Deferred annuities and recurring premium	69.1	55.9	23.6	107.3
- Single premium and Group policies	670.7	429.4	56.2	1,174.9
TOTAL NEW BUSINESS	739.8	485.3	52.4	1,282.2
<i>In-force business</i>				
- Deferred annuities	336.7	302.6	11.3	678.6
- Recurring single premiums	70.1	48.3	45.1	101.7
TOTAL IN-FORCE BUSINESS	406.8	350.9	15.9	780.3
Total premiums written	1,146.6	836.2	37.1	2,062.5
(less) premiums ceded	(3.2)	(3.5)	(8.6)	(8.0)
TOTAL LIFE PREMIUMS	1,143.4	832.7	37.3	2,054.5
Financial Products				
<i>Mutual fund accounts and managed accounts</i>				
- Gross inflows	841.1	820.7	2.4	1,619.8
- Net inflows	75.8	319.5	(76.3)	444.6
ADMINISTRATED SAVINGS				
<i>Current accounts and securities</i>				
- Gross inflows	(74.7)	151.6	n.d.	(312.5)
- Net inflows	(74.7)	151.6	n.d.	(312.5)
"New ventures" *				
MANAGED SAVINGS				
Life Insurance products				
<i>New Business</i>				
- Premiums	50.9	30.6	66.3	70.3
Financial products				
<i>Mutual accounts funds and management accounts</i>				
- Gross inflows	662.2	659.4	0.9	1,194.0
- Net inflows	202.6	233.8	(12.8)	561.0
ADMINISTRATED SAVINGS				
<i>Current accounts and securities</i>				
- Gross inflows	133.3	352.8	(62.2)	717.0
- Net inflows	103.4	72.6	42.4	209.3

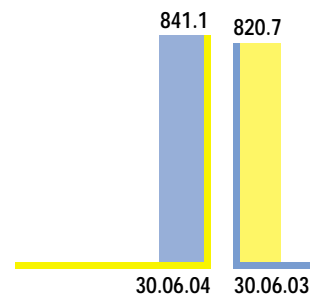
(*) Results pertaining to Banca Esperia were considered in proportion to the holding.

VOLUMES

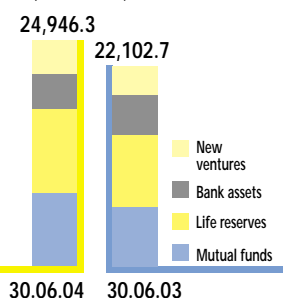
SALES LIFE (CORE BUSINESS)
Total premiums (Euro millions)



SALES FUNDS (CORE BUSINESS)
Total sales gross (Euro millions)



**CONSOLIDATED ASSETS
UNDER ADMINISTRATION**
(Euro millions)



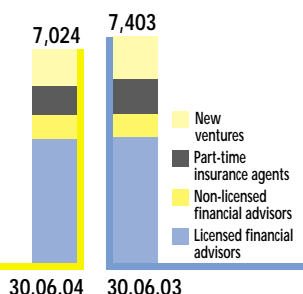
Consolidated assets under administration

<i>Euro in millions</i>	30.06.2004	30.06.2003	% change	31.12.2003
Life reserves	9,370.6	7,366.9	27.2	8,447.0
Mutual funds and managed accounts	10,812.0	9,090.3	18.9	10,007.5
Direct and indirect bank inflows	4,503.0	5,169.9	(12.9)	4,664.0
Pension funds	162.9	164.8	(1.2)	163.3
Consolidation adjustments	(4,253.9)	(3,257.0)	30.6	(3,732.5)
TOTAL "CORE BUSINESS"	20,594.60	18,534.9	11.1	19,549.3
Fibanc assets under administration *	1,953.2	1,943.6	0.5	1,941.9
Gamax assets under administration	419.8	420.0	0.0	430.1
Bankhaus A. Lenz assets under administration	169.1	4.5	n.d.	73.8
Banca Esperia assets under administration **	1,798.9	1,190.3	51.1	1,504.5
Private assets under administration	10.7	9.4	13.8	14.2
TOTAL "NEW VENTURES"	4,351.8	3,567.8	21.0	3,964.5
TOTAL MEDIOLANUM GROUP	24,946.3	22,102.7	12.9	23,513.8

(*) The result includes the value of assets managed by Mediolanum International Life Ltd and placed through the Fibanc network for 113.9 million euro (30.06.2003: 46.2 million euro).

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

THE SALES NETWORK



The sales network

<i>Units</i>	30.06.2004	30.06.2003	31.12.2003
Licensed financial advisors (Banca Mediolanum S.p.A.)	4,055	4,130	4,052
Non-licensed financial advisors (Banca Mediolanum S.p.A.)	803	725	950
Partner Time insurance agents	939	1,167	1,063
TOTAL "CORE BUSINESS"	5,797	6,022	6,065
Fibanc Group network *	568	405	532
Gamax Group network	573	892	689
Bankhaus August Lenz & Co. network	86	84	96
TOTAL "NEW VENTURES"	1,227	1,381	1,317
TOTAL MEDIOLANUM GROUP	7,024	7,403	7,382

(*) The data indicated in the half-year report at June 30, 2003 and in the financial statements at December 31, 2003 included values referring to the role of *Introducer* no longer considered in representing the size of the sales network. For purposes of comparison, the values indicated in the previous reports were adjusted (30.06.2003: 115; 31.12.2003: 114); and at June 30, 2004 the staff no longer included commercial employees (30.06.2003: 8; at 31.12.2003: 5).

Employees

<i>Units</i>	30.06.2004	30.06.2003	31.12.2003
Managerial	71	67	69
Supervisory personnel	147	116	131
Clerical personnel	902	849	849
TOTAL "CORE BUSINESS" PERSONNEL	1,120	1,032	1,049
Managerial	24	27	27
Clerical personnel	276	290	276
TOTAL "NEW VENTURES" PERSONNEL	300	317	303
TOTAL MEDIOLANUM GROUP	1,420	1,349	1,352

Considering the importance embedded value has for a more meaningful interpretation of the development of the Mediolanum Group, we provide the following information regarding the embedded value, which has been calculated by Tillinghast, the insurance and financial services consultancy business of Towers Perrin.

Embedded value is defined as the sum of shareholders' net assets, marking assets to 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 projected to emerge from the existing policies in force at the valuation date, less the cost of holding a level of solvency capital. The value of in-force mutual funds and managed accounts business is calculated in a similar way to the value of in-force Life business, without an adjustment for the cost of capital, since this business does not require solvency margins. The following table shows the results of the embedded value of the Mediolanum Group as at June 30, 2004, together with the equivalent values as at December 31, 2003 and June 30, 2003.

Embedded value

<i>Euro in millions</i>	30.06.2004	31.12.2003	30.06.2003
Adjusted shareholders' net assets	560	564	493
Value of in-force Life business	1,373	1,263	1,232
Value of in-force mutual funds and managed accounts	362	339	303
EMBEDDED VALUE INCLUDING GOODWILL FOR ACQUISITIONS	2,295	2,166	2,028
Residual goodwill (Fibanc, Gamax, Bankhaus A. Lenz, MILL)	(129)	(137)	(147)
EMBEDDED VALUE EXCLUDING GOODWILL FOR ACQUISITIONS	2,166	2,029	1,881

To determine the embedded value as at June 30, 2004, the fiscal assumptions were modified to reflect the new decree law on the taxation of mathematical reserves (DL.168/2004). The experience observed in the period did not suggest the need to modify the operating assumptions, and the changes in the economic assumptions were not material.

In order to gauge the effect of using alternative discount rates, the embedded value of the Group at June 30, 2004 was determined to be 2,241 million euro and 2,097 million euro using discount rates of 6.75% and 7.75%, respectively.

The value added in the period (embedded value earnings), defined as the change in embedded value in the period, adjusted for the payment of dividends and other capital movements, provides a measure of Group performance.

<i>Euro in millions</i>	30.06.2004	31.12.2003	30.06.2003
Change in the embedded value for the period	129	194	56
Goodwill amortisation in the period	10	19	9
Dividends paid	80	72	72
EMBEDDED VALUE EARNINGS FOR THE PERIOD BEFORE ACQUISITIONS	219	285	137
Effect of acquisitions in the period *	(2)	0	0
EMBEDDED VALUE EARNINGS FOR THE PERIOD AFTER ACQUISITIONS	217	285	137

(*) For 2004 this relates to the increase in the shareholding in Banco de Finanzas e Inversiones (Group Fibanc).

The following table shows the principal components of the embedded value earnings of Mediolanum Group for the first half of 2004 compared with those of the year 2003 and the first half of 2003.

<i>Euro in millions</i>	30.06.2004	31.12.2003	30.06.2003
Expected return	65	120	59
Experience variances	75	20	26
Operating assumption variances	0	15	0
Economic assumption variances	0	(30)	(21)
Tax assumption variances	(4)	5	0
EARNINGS ON INITIAL EMBEDDED VALUE	136	130	64
New Life business *	69	124	61
New mutual funds and managed accounts business *	14	31	12
VALUE ADDED BY NEW BUSINESS	83	155	73
EMBEDDED VALUE EARNINGS BEFORE GOODWILL	219	285	137
Effect of acquisitions in the period	(2)	0	0
EMBEDDED VALUE EARNINGS AFTER GOODWILL	217	285	137

(*) The new Life business, defined as new policies issued in the first six months of 2004 (including extensions of multi-year plans), net of transformations, were equal to 80 million euro for recurring premium policies and 638 million euro for single-premium policies, of which 572 million euro related to the product DiPiu. For the same period, the new sales of mutual funds and managed accounts, defined as the sum of gross retail inflows net of switches within the mutual funds and managed accounts, were equal to 19 million euro of mutual fund instalment plans, 452 million euro of lump-sum investments in mutual funds and 51 million euro of managed accounts.

In order to gauge the effect of using alternative discount rates, the value of new business in the period was calculated to be 87 million euro and 79 million euro, using discount rates of 6.75% and 7.75% respectively.

The excellent result attained for the embedded value earnings after goodwill, compared with both the first half of 2003 and the full year 2003, derived primarily from the high levels of financial performance of assets under management, the steady increase in management fees and the stability of performance fees, and a reduction in the cost of external managers of Irish mutual funds, partially offset by lapse experience which was slightly higher than expected. In addition to these factors, the value of new Life and fund business held up well, despite the difficulties in the period.

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

<i>Euro in thousands</i>	Mediolanum Group		Core Business	
	30.06.2004	30.06.2003	30.06.2004	30.06.2003
	(*)	(*)	(**)	(**)
Premiums from insurance activities				
Gross premiums written	1,197,694	866,763	1,146,646	836,144
Reinsurance ceded	(3,160)	(3,528)	(3,150)	(3,520)
Commission income from financial activities and other income				
Entry fees	15,421	16,163	13,687	14,478
Management fees	92,281	75,144	83,165	66,426
Performance fees	38,936	35,648	38,234	35,648
Bank service margin	44,586	39,231	37,272	31,626
Bank interest spread	29,002	37,466	25,119	31,815
Other commissions	5,909	4,249	5,592	3,700
Other revenues	4,475	4,585	4,892	4,541
TOTAL REVENUES	1,425,145	1,075,720	1,351,457	1,020,860
Change in Life insurance reserve and service to policyholders, net of reinsurance	(1,071,504)	(767,785)	(1,026,365)	(740,294)
Acquisition costs, net of reinsurance	(107,869)	(97,687)	(97,278)	(87,307)
General costs	(116,498)	(111,659)	(97,713)	(90,484)
Amortisation/depreciation and provisions	(29,344)	(40,057)	(14,676)	(24,284)
Net investment and asset income	9,209	19,353	5,434	16,064
Figurative proceeds from shareholdings in New Ventures ***	0	0	3,840	4,278
Adjustments to the value of financial investments	(5,101)	(471)	(4,956)	(471)
OPERATING PROFIT	104,038	77,415	119,745	98,361
Non-recurring extraordinary income and charges	(604)	(4,840)	319	(5,168)
PROFIT BEFORE TAXES	103,435	72,575	120,063	93,193
Taxes for the year	(26,556)	(17,901)	(27,465)	(19,138)
Profits from minority interests	40	(40)		
PROFIT FOR THE YEAR PERTAINING TO THE GROUP	76,838	54,713	92,598	74,055

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

(**) Consolidated Mediolanum Group – "Core Business".

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

MEDIOLANUM S.p.A.

During the first half-year, parent company Mediolanum S.p.A. generated a negative net result of 2,516 thousand euro, compared to a loss of 7,656 thousand euro in the period ended June 30, 2003.

Regarding operating activity, revenues were 88,314 thousand euro (30.06.2003: 77,237 thousand euro), including 84,693 thousand euro (30.06.2003: 71,449 thousand euro) deriving from the insurance agent activity of subsidiary Mediolanum Vita S.p.A..

The costs related to that activity consisted primarily of commission paid to subsidiary Banca Mediolanum S.p.A. in the amount of 77,287 thousand euro (30.06.2003: 65,965 thousand euro).

General and administrative expenses were equal to 9,951 thousand euro, compared to 15,717 thousand euro in the first half of 2003.

The interest charges generated by the use of credit lines granted by leading banks amounted to 3,269 thousand euro, with a decrease of 29.6% as regards to the same period of the last year (30.06.2003: 4,639 thousand euro).

Commercial relationships were maintained with the subsidiaries, and marginally with the Fininvest and Doris Group companies, contractually defined at market values, serving chiefly for technical-administrative coordination of the subsidiaries and insurance sub-agent relationship mentioned earlier.

EVENTS IN THIS PERIOD

On January 9, 2004 the liquidation of Gamax Schweiz GmbH was completed.

In February, the controlled of Mediolanum International S.A. increased its share of ownership in Mediolanum Private S.A.M. to 99.94% by acquiring the shares owned by Compagnie Monegasque de Banque.

Last May the Board of Directors of Mediolanum Private S.A.M. resolved to stop soliciting new assets and to gradually close its existing administration accounts with clients.

Also in May, subsidiary Banco de Finanzas y Inversiones S.A. resolved to increase share capital by 20 million euro, subscribed entirely by Banca Mediolanum; as a result of this transaction, the ownership of the Group Mediolanum in Banco de Finanzas Group increased from 85.865% to 87.781%. In the same month, parent company Mediolanum S.p.A. made a capital contribution to subsidiary Mediolanum International Life Ltd of 10 million euro to bring the equity of the company in line with the gradual development of its activity.

On August 13, 2004 authorization was received from the Bank of Italy to sell the shareholding Mediolanum State Street; the transfer will take place by September.

In August, subsidiary Bankhaus August Lenz & Co. AG resolved to increase share capital by 12 million euro and completed the operation in September.

On September 15, 2004 Banca Mediolanum S.p.A. will finalize the purchase of 171,451 shares of Fibanc Inversiones S.A. for a total value of 39.6 million euro, thus increasing its interest in the Spanish group to 100%.

SIGNIFICANT POST-PERIOD EVENTS

The trend observed in the companies of the Mediolanum Group during the first half-year 2004 lead us to believe that the performance of the year will be positive.

EXPECTED FUTURE TRENDS

GENERAL CRITERIA

The consolidated half-year report to June 30, 2004, composed of a balance sheet, income statement and accompanying notes, was prepared in conformity with the provisions of Italian Law 173/97 and CONSOB decision 11971.

The notes also include the consolidated statement of cash flows, as required by the above-mentioned Law.

The amounts are expressed in thousands of euro.

For a more precise representation of the financial statement items at June 30, 2004, some reclassifications were made with respect to the half-year and year-end report for 2003. The principal effects of these changes are shown following these notes in the commentary on the individual items.

The consolidated half-year report has been prepared based on the six-month situations to June 30, 2004 of Mediolanum S.p.A. and its direct subsidiaries, approved by their respective boards of directors.

The financial statements of Group companies with insurance-related activities were appropriately reclassified and adjusted so that the presentation would better approach the principles of clarity and uniformity within the Group.

In preparing the consolidated half-year report, the assets and liabilities, guarantees, commitments and other contingent liabilities, as well as the income and expense of the companies included in the line-by-line consolidation were included in their entirety.

Payables and receivables, guarantees, commitments and other contingent liabilities, and income and expense items related to transactions between companies consolidated by the full-line method were eliminated from that aggregation.

The book values of tangible fixed assets were decreased by the internal profit generated by the transfer of assets among consolidated companies.

The book values of the fully consolidated shareholdings were eliminated against the relative shareholders' equity, at the date the companies were acquired or became subsidiaries of Mediolanum S.p.A..

Subsequent changes in the book values of the shareholdings and shareholders' equity of the companies included in the full-line consolidation were charged to the consolidation reserves.

The difference between the purchase cost of the companies consolidated by the full-line method and the corresponding portion of shareholders' equity was treated as a positive consolidation difference and amortized over a period of ten years.

The shareholdings in subsidiaries whose activities depart from those insurance firms perform within the framework of their institutional duties were valued by the equity method.

The financial statements of the companies valued by the equity method were appropriately adjusted to reflect the uniform accounting principles used within the Group.

Any subsequent changes in the shareholders' equity of the companies valued by the equity method were imputed to the *Reserve for difference in valuation regarding shares in non-consolidated companies* except for the portion deriving from operating profits reported in the income statement at the item *Result for the year on investment valued using the equity method*.

The difference between the acquisition cost of the companies controlled indirectly through companies valued at equity, and the corresponding portion of shareholders' equity was allocated, wherever possible, to properties owned by them to adjust the book values to the current values, while the remainder was treated as a positive consolidation difference and amortized over a ten-year period. The overall economic effect impacted the result of the direct subsidiaries valued by the equity method, and thus recorded in the *Result for the year on investment valued using the equity method*.

B) VALUATION CRITERIA

SECTION 1 VALUATION CRITERIA

The criteria followed in valuing the items of the consolidated half-year report conform to the provisions of Article 16 of Italian Law 173/97, Article 2426 of the Italian Civil Code, and the accounting principles issued by the competent professional bodies, and are identical to those adopted in preparing the consolidated financial statements for the year ended December 31, 2003 and the consolidated half-year report at June 30, 2003, presented for purposes of comparison.

Intangible assets are reported at purchase cost, including accessory charges, and are amortized over the period of their residual utility.

INTANGIBLE ASSETS

Goodwill is amortized over a period not to exceed ten years.

Start-up and expansion costs are amortized systematically over a period not to exceed five years.

Leasehold improvements are amortized over a period not to exceed the residual duration of the relative leases.

The value of intangible fixed assets is written down in cases of permanent loss of value.

LAND AND BUILDINGS

Buildings are reported at purchase cost including accessory charges and are depreciated by the straight-line method at economic-technical rates determined based on their residual useful lives.

Residential property are not depreciated, because of the constant maintenance, since their market value is greater than their book value.

The purchase cost includes the effects of any revaluations pursuant to law. The positive revaluation differences were credited to shareholders' equity.

The costs of routine maintenance are fully expensed in the year in which they are sustained.

Extraordinary maintenance and all other costs of an incremental nature are allocated to the respective fixed asset accounts and depreciated over the residual useful lives of the assets.

In conformity with Article 18 of Italian Law 173/97, the properties owned by the company were appraised; greater details in this regard can be found in the relative section of these notes.

INVESTMENTS IN GROUP COMPANIES AND OTHER SHAREHOLDINGS

Investments in subsidiaries not fully consolidated and in affiliated companies are valued by the equity method, except for non-operational companies, which are valued at cost.

Shares and quotas in other companies are valued at cost expressed in euro, based on the exchange rates in effect at the time of purchase and written down to reflect any permanent loss in value.

The write-downs are later cancelled, totally or partially, if the reasons for them lose their validity.

OTHER FINANCIAL INVESTMENTS

Shares, investments in shares of mutual funds, bonds and other fixed income securities

Transactions in securities are booked to the balance sheet on the settlement date.

Long-term bonds and other fixed-income securities are classified as financial fixed assets; the others securities intended for more flexible use to seize short-term market opportunities through active trading activity are booked as current assets.

Long-term bonds and other fixed-income securities are valued at cost, computed by the weighted average method, adjusted to reflect the accrued portion of the net issue spread (net of taxes withheld pursuant to Italian Law 239/96) as well as the same portion of the (positive/negative) between that purchase cost and the redemption value of the securities. Disposal is permitted only in exceptional cases related to management.

The issue spread and the difference between purchase cost and redemption value are reported in the income statement under “interest”.

The value of long-term securities is written down in cases of permanent loss of value.

The securities for trading are valued at the lower of purchase cost and market value.

The cost is determined by the “weighted average cost” method and is adjusted for the current portion of the issue spread (net of the withholding tax accrued up to application of Italian Law 239/96).

The issue spread is reported in the income statement under the item “interest”.

The market value is determined as follows:

- a) for securities listed on regulated markets, by assuming the average price for the last months of the period;
- b) for securities not listed on regulated markets, by assuming the presumable selling price.

To find the presumable selling price, the following factors are considered:

- a) the market trend for securities with similar characteristics listed in regulated markets, Italian and foreign;
- b) the present value of future flows based on expected market yields;
- c) the solvency status of the issuers;
- d) any difficulty in debt servicing on the part of the issuers’ countries of residence;
- e) other objective factors.

For investments in mutual fund shares, the disposal value is derived from the published share value at the close of the period.

The write-downs are later cancelled, totally or partially, if the reasons for them lose their validity.

Trading contracts pending settlement are valued at the lower of settlement value and market value in the case of purchase, at the greater of the two values in the case of sale. The criteria described above are followed to determine market value.

Repurchase agreements are reported among the sundry financial investments. The spread between the spot and future values is booked under the item “interest”, on a pro-rata temporis basis.

The interest on debt securities is reported as interest earned, on a pro-rata temporis basis.

Investments in financial derivatives

Derivative instruments are used solely for hedging purposes, to reduce the risk profiles of the assets/liabilities covered, or to optimize the risk-return profile (effective management).

Derivative contracts open at the close of the period are valued at the lower of purchase cost and market value, booking any write-down among the adjustments to investment values; in the case of related transactions, the valuation reflects the combined effect of transactions of opposite sign.

For options, the premiums paid on options purchased are reported under “other financial investments”. The premiums collected by selling options are reported as “sundry loans and other financial debt”. The premiums on options exercised at maturity are posted against the book value and selling price of the assets, while the premiums on unexercised options are registered as gains or losses on investment disposal.

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

These investments are reported at current value equal, for investments in regulated markets, to the value on the last trading day of the period and, for investments in unregulated markets, to the average price at which the investments were traded on the last trading day of the period.

RECEIVABLES

Receivables are reported at their presumed realisable value, writing down their face value if necessary.

Tangible assets are reported at purchase cost, including accessories charges, and are depreciated on a straight-line basis over the residual useful life of the assets.

OTHER ASSETS

Tangible assets whose value at the close of the period have permanently decreased below their cost or value as determined above are reported at this lower value.

The other assets are reported at face value, unless they are written down.

The Life insurance reserves include the mathematical reserve, computed in detail for each contract, based on pure commitments and with reference to the actuarial assumptions used in calculating the premiums. This reserve includes all the revaluations accrued in applying contractual clauses, as well as the specific provisions to reflect demographic risk, and is not lower than surrender values.

LIFE INSURANCE RESERVES

The technical reserves also include deferral of the portion of premiums related to the subsequent six-months and the portion of future expense deriving from policy administration, such as operating costs and supplementary healthcare premiums.

The reinsurers' portions of technical reserves are determined with the same criteria followed in computing reserves technical, applying the cession clauses in the individual reinsurance treaties.

These technical reserves represent the highest possible approximation of the value of the investment fund shares or reference equity indexes and correspond to the covering assets, reported at current market value.

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

The same accounting treatment was applied to the technical reserves related to the "Previgest Mediolanum open pension fund".

Payables are reported at face value.

PAYABLES

The accruals and deferrals refer to constant portions of income and expense common to two or more periods, reported according to the time-accrual accounting principle.

PREPAYMENTS AND ACCRUED INCOME

<p>PROVISIONS FOR RISKS AND CHARGES</p>	<p>The provisions for risks and charges are created to cover losses or liabilities of certain or probable existence but for which the amount or date of occurrence could not be determined at the close of the period.</p> <p>The amounts set aside reflect the best estimate of the projected losses based on available information.</p>
<p>EMPLOYEE TERMINATION INDEMNITY</p>	<p>The termination indemnity covers the entire liability accrued toward employees, in conformity with current legislation and collective labor contracts. This liability is subject to revaluation based on changes in the cost-of-living indexes.</p>
<p>REVENUES AND EXPENSES</p>	<p>Revenues and expenses are reported according to the time-accrual principle. Life policy acquisition commissions are fully expensed in the income statement in the period in which they are sustained.</p> <p>The commissions are reported when the relative service is provided.</p>
<p>TAXES</p>	<p>Income taxes are reported based on the estimated taxable income of each company, in conformity with current tax legislation, considering applicable exemptions and tax credits.</p> <p>Deferred tax assets and liabilities were determined using the “balance sheet” liability method.</p> <p>Deferred tax liabilities are computed on the temporary differences between the value of assets and liabilities reported in the financial statements and their tax base. Deferred tax assets are reported to the extent that their recovery is reasonable certain based on the presence of future taxable income equal to or greater than the deductible temporary differences.</p> <p>The deferred tax liabilities and assets set aside in prior years are value to reflect the effects generated by changes in applicable fiscal legislation.</p>
<p>OFF-BALANCE SHEET ITEMS</p>	<p>Guarantees and commitments are reported at the contractual value of the commitment assumed by the company.</p>

Assets and liabilities denominated in foreign currencies are valued at the spot exchange rate for the closing day of the period.

Not made.

Other intangible assets includes:

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
Start-up and expansion costs	415	759	4,724
Concessions, licenses, trademarks and similar rights	6,450	7,477	6,648
Leasehold improvements	124	167	216
Intangible assets under formation and advances	31	163	612
TOTAL	7,020	8,566	12,200

“Start-up and expansion costs” consist primarily of the residual value of 309 thousand euro relative to “commissions to be returned to reinsurers” capitalized in prior years. These commissions, in conformity with accounting principle 24 National Councils of Professional Accountants and Bookkeepers were capitalized as they were sustained only once following renewal of the contractual portfolio and amortized over a period of five years.

“Concessions, licenses, trademarks and others rights” consist primarily of software user licenses. The changes in these items are shown in detail in Attachment 1.

Item B 3 *Consolidation difference* contains the difference between the price paid by Mediolanum S.p.A. to acquire the shareholding in Mediolanum International Life Ltd and the net value of assets and liabilities at the acquisition date. This positive consolidation difference is being amortized over a ten-year period,

ASSETS AND LIABILITIES
DENOMINATED IN FOREIGN
CURRENCIES

SECTION 2
ADJUSTMENTS AND
PROVISIONS FOR TAXES

VALUE ADJUSTMENTS AND
PROVISIONS EXCLUSIVELY MADE
IN ACCORDANCE WITH FISCAL
LAWS

C) CONSOLIDATED
BALANCE SHEET
INFORMATION

ASSETS

INTANGIBLE ASSETS
(ITEM B)

considered representative of the future income flows from the acquired company. The six-month amortization of the positive consolidation difference amounts to 8 thousand euro.

INVESTMENTS
(ITEM C)

Item C I *Land and buildings* includes:

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
Company buildings	17,678	18,038	18,375
Residential buildings leased to third parties	47,868	48,526	48,526
Industrial buildings leased to third parties	4,065	4,153	4,239
Assets under formation	83	83	0
TOTAL	69,694	70,800	71,140

The depreciation of industrial properties is computed at a rate of 3%, deemed representative of the useful life of the assets. The total depreciation on properties amounted to 448 thousand euro.

In the current period, two civil units leased to third parties were sold for a book value of 659 thousand euro, generating a capital gain of 374 thousand euro.

Also note that at June 30, 2004 preliminary contracts had been stipulated to sell 45 residential units, which will yield a net capital gain of 2 million euro when finalized. The payments on account received as confirmation deposits, equal to 862 thousand euro, were reported as Other payables.

The total market value of the real estate complexes owned by Mediolanum Vita S.p.A., determined pursuant to Article 18 of Italian Law 173/97, is 86,811 thousand euro.

No consolidation differences were booked.

A schedule of changes in tangible assets is shown in Attachment 2.

Item C II 1 *Shares and quotas* is composed of:

a) "Shares of controlled companies": the item includes the value of Group companies valued by the equity method, since they exercise activity not associated with insurance, and the value of the shareholding in the Mediolanum Life Financial Service Ltd, reported at cost since it is not operational.

Detail of the shareholdings valued by the equity method:

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
Banca Mediolanum S.p.A.	394,371	405,209	368,643
Mediolanum International Funds Ltd	33.941	59.935	28.325
Mediolanum Gestione Fondi SGR p.A.	7,524	8,908	6,424
Mediolanum Asset Management Ltd	1.239	1.678	901
Mediolanum State Street SGR p.A.	1,494	1,358	1,532
Mediolanum Comunicazione S.p.A.	1,183	1,098	1,027
Mediolanum Fiduciaria S.p.A.	502	513	524
PI Distribuzione S.p.A.	427	409	427
Mediolanum International S.A.	2	2	0
TOTAL	440,683	479,110	407,803

The valuation of Banca Mediolanum S.p.A. by the equity method reflects the effects of valuing its subsidiaries by the same method, so it takes into account the amortization of goodwill attributable to the shareholdings in Fibanc Group, Bankhaus August Lenz & Co. AG and the Gamax Group.

b) “Fininvest Group shares and quotas” amount to 114 thousand euro and refer to:

<i>Euro in thousands</i>	Share capital	% holding	Office
Company			
Consorzio Aeromobili Fininvest	520	22	Via Paleocapa 3 Milan

The shareholding in Consorzio Aeromobili Fininvest increased during the period from 19% to 22%, with an investment equal to 15 thousand euro.

c) “Shares and quotas in associated companies” equal to 19,935 thousand euro, they refer to 48.50% of Banca Esperia S.p.A., 50-50 joint venture with Mediobanca S.p.A. in the private banking sector, valued by the equity method.

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

d) "Shares and quotas of other companies" amount to 173,575 thousand euro and they relate to:

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
Mediobanca S.p.A.	129,907	129,907	129,907
Consortium S.r.l.	28,798	28,798	28,798
SIA S.p.A.	12,407	12,407	12,407
Cedacri S.p.A.	2,364	2,364	1,357
Nomisma Società di studi economici S.p.A.	71	71	0
Rita S.r.l.	14	14	13
Europa Invest S.A.	14	14	14
TOTAL	173,575	173,575	172,496

for the following ownership:

<i>Euro in thousands</i> Company	Share capital	% holding	Office
Mediobanca S.p.A.	389,275	1.813	Via Filodrammatici 10 Milan
Consortium S.r.l.	561,600	3.400	Via Filodrammatici 10 Milan
SIA S.p.A.	18,124	4.999	Via Taramelli 26 Milan
Cedacri S.p.A.	12,609	3.450	Via Conventino 1 Collecchio (PR)
Nomisma Società di studi economici S.p.A.	5,345	1.320	Strada Maggiore 44 Bologna
Rita S.r.l.	5,720	0.010	Piazza San Babila 1 Milan
Europa Invest S.A.	125	14.000	14 Rue Aldringen Luxembourg

The change in item C II 3 *Financial loans* compared to the closing at December 31, 2003 was due to the natural termination of repurchase agreements stipulated by Mediolanum Vita S.p.A. with affiliated company Banca Mediolanum S.p.A..

Item C III *Other financial investments* includes the following financial investments broken down by type:

<i>Euro in thousands</i>	Long-term investment		Short-term investment		Total	
	Book value	Current value	Book value	Current value	Book value	Current value
1. Shares and quotas	0	0	0	0	0	0
a) shares traded on regulated markets						
b) unlisted shares						
c) quotas						
2. Mutual fund shares	0	0	49,586	49,864	49,586	49,864
3. Bonds and other fixed income securities	662,202	639,886	513,124	513,442	1,175,326	1,153,328
a 1) Government securities traded on regulated market	517,224	495,851	459,549	459,570	976,773	955,421
a 2) other securities traded on regulated markets	128,176	127,051	53,573	53,870	181,749	180,921
b 1) unlisted Government securities	690	690			690	690
b 2) other unlisted securities	16,112	16,294	2	2	16,114	16,296
c) convertible bonds						
4. Financial loans	0	0	12,113	12,112	12,113	12,112
5. Other financial investments	0	0	24,879	24,886	24,879	24,886
TOTAL	662,202	639,886	599,702	600,304	1,261,904	1,240,190

Item C III 2 *Mutual fund shares* consists primarily of shares of Italian and foreign mutual funds managed by Mediolanum Gestione Fondi SGR p.A., for 200 thousand euro, and by Mediolanum International Funds Ltd, for 49,325 thousand euro.

Long-term financial investments total 662,202 thousand euro and consist primarily of listed fixed-income securities issued by governments and public entities.

The valuation of the long-term financial investments at current values reveals potential capital losses of 23,387 thousand euro and potential capital gains of 1,071 thousand euro.

The financial investments not intended as long-term company assets amount to 599,702 thousand euro, consisting of:

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
Shares and quotas	0	0	2,880
Mutual fund shares	49,586	46,862	43,302
Bonds and other fixed income securities	513,124	380,458	339,836
Financial loans	12,113	13,181	15,917
Deposits at credit institutions and other financial loans	24,879	2,246	3,594
TOTAL	599,702	442,747	405,529

The valuation of short-term financial investments at current values shows potential capital gains of 602 thousand euro; the value adjustments to the short-term sector amounted to 6,420 thousand euro, while the write-backs totalled 1,411 thousand euro.

Financial loans (item C III 4) consist of:

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
Secured loans on insurance policies	11,869	12,593	15,322
Loans to consultants	59	397	397
Other loans	185	191	198
TOTAL	12,113	13,181	15,917

These credits are all receivable after more than one year.

Item C III 5 *Others financial investment* consists of *Deposits with credit institutions* of 19,958 thousand euro, mostly held by subsidiary Mediolanum International Life S.p.A., and by *Sundry financial investments* of 4,921 thousand euro related to premiums paid to purchase index options.

INVESTMENTS ON BEHALF
OF POLICYHOLDERS
(ITEMS D)

The increase in investments on behalf of life policyholders who sustain the risk and deriving from the pension fund management was due to a net increase in inflows and the financial revaluation that benefited line III products.

REINSURERS' SHARE OF
TECHNICAL RESERVES
(ITEMS D BIS)

Change in the item D-bis II compared to the closing at December 31, 2003 was caused by a reduced propensity to purchase traditional products along with the maturing of the existing portfolio.

RECEIVABLES
(ITEM E)

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

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
Due from policyholders in the year	8,462	2,399	6,843
Due from policyholders from previous years' premiums	528	528	1,331
Due from intermediaries	1,808	3,349	2,033
Due from intermediaries for portfolio compensations	6	11	15
TOTAL	10,804	6,287	10,222

The increase in receivables due from policyholder with respect to December 31, 2003 consists primarily of branch III premiums receivable (6,245 thousand euro), collected during the month of July. 1 million euro in receivables on the books at December 31, 2003 were collected in the first half of 2004.

Items “Policyholders for premiums” and “Insurance intermediaries” are both expressed net of provisions of 265 thousand euro (policyholders) and 459 thousand euro (agents).

Please note, also, that from the end of 2003 the item “Receivables for rights” is now classified as accrued income, so for a proper comparison this item was reclassified at June 30, 2003 in the amount of 6,983 thousand euro.

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

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
Due from tax authorities	73,207	107,987	87,816
Due from Mediolanum Group companies	3,748	2,922	4,768
Due from real estate leases	1,165	995	1,490
Advances to suppliers and professionals	1,116	791	682
Due from Fininvest Group and Doris Group companies	405	458	455
Due from employees	123	128	159
Guarantee deposits	83	82	82
Other receivables	1,420	1,434	14,274
TOTAL	81,267	114,797	109,726

“Due from tax authorities” consists of:

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
Advance payments and amounts brought forward	54,433	58,453	40,854
Tax credits on dividends and mutual funds	0	28,012	26,592
Tax refunds	14,316	14,171	14,026
Tax withholdings	3,810	6,870	4,013
Other	648	481	2,331
TOTAL	73,207	107,987	87,816

Item “Advance payments and amounts brought forward” includes a credit accrued for payments on the tax on mathematical reserves, for a total of 49,405 thousand euro. This receivable will become collectible as of January 1, 2005.

For your information, the amount of taxes on mathematical reserves for the current year, based on the total of those reserves at the June 30, 2004 is 25,947 thousand euro. This amount was computed in accordance with the new rules set forth in the Italian Law of July 12, 2004.

The balance of “Receivables due from Mediolanum Group companies” refers primarily to the amount owed by controlled company Mediolanum International Funds Ltd for management and performance fees at June 2004.

The receivables “Due from Fininvest and Doris Group companies” consist of credits owed by Mediolanum Assicurazioni S.p.A. for commissions on insurance policy sales and charge-backs for the cost of personnel on loan.

**OTHER ASSETS
(ITEM F)**

Item F I *Tangible assets* is composed of:

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
Systems	15	17	28
Equipment	459	531	591
Electric and electronic equipment	992	1,111	1,332
Furniture and fittings	409	568	754
Other assets	6	0	9
Assets under formation and advances	4	4	0
TOTAL	1,885	2,231	2,714

Depreciation is computed at the following rates, deemed representative of the actual useful life of each category:

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

The changes in tangible fixed assets are shown in detail in Attachment 2.

Item F II *Liquid assets* consists primarily of ordinary current account balances (95,600 thousand euro) and hot money transactions (74,561 thousand euro), including 41,965 thousand euro and 53,100 thousand euro with Banca Mediolanum S.p.A., respectively.

Item F III *Own shares or quotas* consists of 385,000 shares of Mediolanum S.p.A., for a par value of 38.5 thousand euro.

**PRE-PAYMENTS AND
ACCRUED INCOME
(ITEM G)**

This item is composed of:

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
Accrued interest on securities	14,257	12,691	13,557
Accrued rights	7,593	7,485	6,983
Other accrued income	584	195	545
Prepayments for insurance	25	129	168
Prepayments for rent	8	15	26
Other prepayments	274	183	494
TOTAL	22,741	20,698	21,773

As mentioned regarding the item “receivables due from policyholders”, with the close of 2003 maturing rights have been classified as accrued income, so the relative amount at June 30, 2003 was reclassified.

SHAREHOLDERS' EQUITY AND LIABILITIES

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

CAPITAL AND RESERVES (ITEMS A - B)

The changes over the past half-year in the individual items of consolidated shareholders' are shown in Attachment 3.

<i>Euro in thousands</i>	Capital and reserves	Profit for the period	Total Shareholders' equity
Parent company financial statement at June 30, 2004	343,398	(2,517)	340,881
Subsequent changes in carrying value and Shareholders' equity in companies included in consolidation	128,717	19,158	147,875
Differences in investments valued by the equity method	68,908	70,263	139,171
Conversion difference of companies included in consolidation area	77	0	77
Application of Group-wide accounting policies	(2,666)	(282)	(2,948)
Elimination of inter-company transactions	(752)	(8)	(760)
Amortisation of consolidation differences in the company's equity investments valued using the equity method	(54,227)	(9,648)	(63,875)
Amortisation of capital gains attributed to buildings as at the date of acquisition of the company valued using the equity method	(760)	(120)	(880)
Amortisation of consolidation difference of companies consolidated on a line-by-line basis	(37)	(8)	(45)
Consolidated financial statements at June 30, 2004	482,658	76,838	559,496

RECONCILIATION BETWEEN THE FINANCIAL STATEMENT 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 statement For the year 2003	319,126	104,054	423,180
Subsequent changes in carrying value and Shareholders' equity in companies included in consolidation	110,944	17,773	128,717
Differences in investments valued by the equity method col equity method	42,072	140,118	182,180
Conversion difference of companies included in consolidation area	77	0	77
Received inter-company dividends	389	(389)	0
Accrued inter-company dividends	0	(113,285)	(113,285)
Other consolidation adjustments	(3,239)	573	(2,666)
Elimination of inter-company transactions	(735)	(17)	(752)
Amortization of consolidation differences in the company's equity investments valued using the equity method	(35,078)	(19,149)	(54,227)
Amortisation of capital gains attributed to buildings as at the date of acquisition of the company valued using the equity method	(524)	(236)	(760)
Amortisation of consolidation difference of companies consolidated on a line-by-line basis	(21)	(16)	(37)
Consolidated financial statements for the year 2003	433,011	129,427	562,438

<i>Euro in thousands</i>	Capital and reserves	Profit for the period	Total Shareholders' equity
Parent company financial statement at June 30, 2003	319,125	(7,657)	311,468
Subsequent changes in carrying value and Shareholders' equity in 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 area	77	0	77
Received 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)
Amortization 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

The amortization of the positive consolidation difference of shareholdings owned by companies valued by the equity method, 6,421 thousand euro refers to shareholdings in the Fibanc Group, 2,986 thousand euro to shareholdings in the Gamax Group and 241 thousand euro to the shareholding in Bankhaus August Lenz & Co. AG.

The shares of the positive consolidation difference related to shareholdings valued by the equity method still to be amortized refer to the Gamax Group (43,295 thousand euro), the Fibanc Group (82,163 thousand euro) and to Bankhaus August Lenz & Co. AG (3,619 thousand euro).

The positive consolidation differences are amortized over ten years, considered representative of the future profitability of the acquired companies, considering the duration of the investment and the sectors and markets in which they operate.

Item C *Technical reserves*

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
Mathematical reserves	1,184,136	1,224,294	1,244,914
Reserve for amounts to be paid	53,210	61,850	32,975
Other	56,451	56,613	51,892
TOTAL	1,293,797	1,342,757	1,329,781

TECHNICAL RESERVES (ITEMS C - D)

The actuarial methods applied and underlying assumptions are the same as the methods and assumptions applied at December 31, 2003.

Mathematical reserves show a reduction in comparison with the amount reported at December 31, 2003, due to the reduced input from the *traditional business* and the natural maturing of existing contracts.

Other technical reserves maintained the trend evidenced at December 31, 2003.

Item D *Technical reserves when the risk is carried by policyholders and reserves from pension fund management* consists of:

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
Technical reserves on unit-linked products	4,356,069	3,706,657	3,119,991
Technical reserves on index-linked products	3,843,215	3,477,137	2,964,608
Technical reserves resulting from pension fund management	4,023	3,231	2,553
TOTAL	8,203,307	7,187,025	6,087,152

The increase in the class D technical reserves generated in the first half-year 2004 was the result primarily of new production and the positive performance of the securities related to that class.

PROVISIONS FOR RISKS
AND CHARGES
(ITEM E)

Item E *Provisions for risks and charges* is composed of:

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
Provision for taxes	13,558	40,868	37,786
Other provisions	659	946	726
TOTAL	14,217	41,814	38,512

“Provision for taxes” consists of:

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
Provision for IRPEG-IRAP (corporate income tax -tax on productive activities)	13,145	39,587	35,620
Provision for taxes for assessments	279	320	360
Provision for deferred taxes	134	961	1,806
TOTAL	13,558	40,868	37,786

“Provision for deferred taxes” was determined by offsetting the deferred and prepaid taxes deriving from the companies consolidated by the line-by-line method and the consolidation adjustments, since a legal right to offsetting balances exists, as contemplated by accounting principle 25 issued by the National Councils of Professional Accountants and Bookkeepers, as shown in the following table:

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
Deferred taxes	832	1,923	2,337
Prepaid taxes	(698)	(962)	(531)
TOTAL	134	961	1,806

“Other provisions” are composed of:

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
Provision for future risks	200	464	405
Agents premium loyalty provision	426	324	163
Sundry provisions	33	158	158
TOTAL	659	946	726

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

<i>Euro in thousands</i>	31.12.2003	Accrued	Utilisation	30.06.2004
Provision for future risks	464		(264)	200
Agents premium loyalty provision	324	102		426
Sundry provisions	158		(125)	33
TOTAL	946	102	(389)	659

Item G IV *Amounts owed to credit institutions* was due to use of credit lines granted to Mediolanum S.p.A. by leading banks.

The balance of item *Other loans and other financial debt* (item G V) at June 30, 2004 was 83,789 thousand euro, composed essentially of financial debts related to a repurchase agreement (53,453 thousand euro), transactions in securities pending settlement at June 30, 2004 (28,613 thousand euro), and premiums collected referring to options outstanding at the end of the period (1,724 thousand euro).

The changes in item G VI *Employee termination indemnity* were the following:

Euro in thousands

Opening balance at 01.01.04	3,103
Provision for the period	222
Utilisation	0
Advances to employees	(331)
Transfers to Mediolanum and Fininvest Group companies	(282)
Closing balance at 30.06.04	2,712

Item G VII *Other liabilities* is composed of:

Euro in thousands

	30.06.2004	31.12.2003	30.06.2003
Payable to Mediolanum Group companies	29,891	34,069	24,809
Dividends due to shareholders	7,434	0	0
Taxes	2,932	19,669	2,865
Trade accounts	4,408	6,617	6,750
Taxes charged to policyholders	1,158	1,933	1,010
Payable to Fininvest Group and associated companies and Doris Group companies	258	731	805
Payable to social security institutions	409	509	548
Other	4,512	1,765	2,099
Other liabilities	6,735	2,859	4,384
TOTAL	57,737	68,152	43,270

“Payable to Mediolanum Group companies” consist primarily of commissions Mediolanum S.p.A. credited to Banca Mediolanum S.p.A. for the marketing of insurance products.

“Taxes” consist primarily of withholding.

“Trade accounts” consist of:

Euro in thousands

	30.06.2004	31.12.2003	30.06.2003
Services received	2,337	4,125	4,105
Invoices to be received	1,681	2,118	2,309
Emoluments to Directors and Statutory Auditors	212	218	210
Professional services	178	156	126
TOTAL	4,408	6,617	6,750

“Payable to Fininvest and Doris Group companies” consist primarily of charge-backs for personnel on loan from Mediolanum Assicurazioni S.p.A..

“Payable to social-security institutes” relate to social-security charges on the June payroll, duly paid in July.

Other liabilities relates to:

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
Outstanding earned premiums	960	1,265	702
Commissions for unearned premiums	1,329	654	2,239
Provision for 14 th month salary and production premiums	225	254	294
Vacation time accrued by employees	706	636	1,014
Other	3,515	50	135
TOTAL	6,735	2,859	4,384

Item “Other” consists of swaps transacted by Mediolanum Vita S.p.A. for a total of 3,353 thousand euro and margins on futures contracts open at June 30, 2004, equal to 162 thousand euro.

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

This item is composed of:

<i>Euro in thousands</i>	30.06.2004	31.12.2003	30.06.2003
Other accrued expense	1,565	1,286	1,956
Deferred income on lease instalments	77	127	126
TOTAL	1,642	1,413	2,082

The principal payables and receivables due beyond 12 months were evidenced in this commentary.

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

Guarantees given

The *Guarantees given* consist of *credit guarantees in favor of other companies* granted in on behalf of Stodiek Immobiliare S.r.l. to guarantee the prompt payment of lease installments on the company offices.

Guarantees received

The *Guarantees received* consist of bonds received from third parties guaranteeing performance under contracts assumed on the investment properties of Mediolanum Vita S.p.A..

Obligations

Obligations consist of 237,385 thousand euro in commitments under outstanding options contracts, 25,000 thousand euro in commitments under futures contracts and 50,000 thousand euro in commitments related to notional principle on swap positions.

Other off-balance sheet items

These consist primarily of *Securities in hand of third parties* and concern the nominal value of the other financial investments, including securities deposited with Banca Mediolanum S.p.A. for a nominal value of 1,071,630 thousand euro.

D) CONSOLIDATED INCOME STATEMENT INFORMATION

INFORMATION ON TECHNICAL ACCOUNTS

The *Gross premiums written* are divided among the various lines as follows:

<i>Euro in thousands</i>	Direct operations	Reinsurance operations	Total
I - Life insurance	32,178	8	32,186
II - Marriage and birth insurance			0
III - Unit-linked insurance as per I and II	1,161,875		1,161,875
IV - Health insurance			0
V - Capitalisation operations	2,966		2,966
VI - Fund management	667		667
GROSS PREMIUMS	1,197,686	8	1,197,694

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

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Single premiums	720,122	460,718	1,244,213
First year premiums	121,014	103,617	200,473
Subsequent year premiums	356,550	302,418	687,963
Indirect premiums	8	10	15
(less) reinsurance ceded	(3,160)	(3,528)	(7,687)
NET PREMIUMS	1,194,534	863,235	2,124,977

Allocated investment return transferred to technical Life account is determined based on the criteria indicated in ISVAP Provision 1140 G of March 8, 1999.

Item *Other technical income, net of reinsurance* includes the revenues deriving from management fees within the unit-linked funds and the management fees paid by controlled company Mediolanum International Funds Ltd in favor of

Mediolanum Vita S.p.A.. Compared to the same period of 2003, this item increased by 5,315 thousand euro, due to an increase in management fees generated by greater assets under management.

Note that since the end of 2003 this item also includes the management fees paid to the company for managing the unit-linked funds. For purposes of comparison, we have shown the relative amount for the first half of 2003 (7,349 thousand euro).

The item in question also includes the management fees paid by controlled company Mediolanum International Funds Ltd to Mediolanum Vita S.p.A., which at June 30, 2003 were reported under *Other revenues* in the amount of 10,697 thousand euro. Therefore, for purposes of comparison, the values for the previous year were reclassified.

The increase in *Claims incurred, net of amounts recovered and reinsurance* versus the first half of 2003 was the result of portfolio maturity, with a consequent increase in the amount of matured policies, and an increase in surrenders.

Acquisition commission net of reinsurers' commissions and profit sharing (item 8 a) consist of 81,141 thousand euro related to Banca Mediolanum S.p.A., 4,216 thousand euro to Banco de Finanzas y Inversiones S.A., 740 thousand euro to Mediolanum Gestione Fondi SGR p.A., 279 thousand euro to Bankhaus August Lenz & Co. AG, and 6 thousand euro to Mediolanum International Fund Ltd.

Regarding the item *Administration expenses* (item 8 b), note that at June 30, 2004 the cost of personnel on loan was deducted from the other administrative expenses and included in the item "Others charges". For a proper presentation, the comparative values were also reclassified.

Item *Unrealised loss on investments on behalf of life policyholders* consisted primarily of capital losses for adjustment to market prices, primarily in the fixed-income segment.

The quota of investment income transferred to the non-technical account was determined on the basis of ISVAP Provision 1140 G.

**INFORMATION ON THE
NON-TECHNICAL ACCOUNT**

Investment income (item 3 a) consists of:

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Quotas in results for the year on investments valued by equity method	60,196	45,744	119,910
Other investment income	192	64	2,802
Income from land and buildings	996	1,286	2,650
Shares in mutual funds	0	34	194
Bonds and other fixed income securities	20,304	21,500	38,421
Financial loans	275	314	592
Deposits at credit institutions	1,685	2,665	5,243
Other financial investments	0	26	0
TOTAL	83,648	71,633	169,812

The revenues from “bank deposits” include 954 thousand euro in interest on deposits with Banca Mediolanum S.p.A..

Adjustment to the value of financial investment (item 3 b) is analysed as follows:

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Shares	0	175	0
Mutual fund shares	613	312	718
Bonds and other fixed income securities	556	1,267	1,210
Other financial investments (derivatives)	241	0	0
TOTAL	1,410	1,754	1,928

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

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Shares and quotas	0	0	457
Bonds and other fixed income securities	6,244	13,386	15,388
Other financial investments	745	3,061	5,489
TOTAL	6,989	16,447	21,334

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

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Management expenses from real estate investments	289	437	897
Other investment management expenses	1,533	541	1,762
Interest on deposit accounts with reinsurance companies	2,270	2,585	4,905
Interest payable on other amounts payable	22	26	41
TOTAL	4,114	3,589	7,605

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

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Building depreciation	448	448	895
Shares and quotas	57	221	0
Mutual funds and tax credits	11	78	53
Bonds and other fixed-income securities	5,528	1,238	1,371
Futures	824	655	141
TOTAL	6,868	2,640	2,460

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

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Shares and quotas	0	0	54
Mutual funds	0	0	0
Bonds and other fixed-income securities	1,111	4,723	7,295
Other financial investments	658	8,697	10,592
TOTAL	1,769	13,420	17,941

Other revenues is analysed as follows:

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Commission income from the sale of non-Life policies	2,018	1,938	4,185
Charge-backs of cost of employees on loan to Mediolanum Group companies valued by the equity method	1,376	3,440	4,675
Charge-backs of the cost of employees on loan to Fininvest Group and Doris Group companies	116	197	340
Recovery of costs	58	222	693
Interest from the tax authorities	146	158	304
Utilisation of provision for specific risks	869	0	17
Other revenues	994	1,039	1,911
TOTAL	5,577	6,994	12,125

“Commission income for the sale of non-Life policies”, determined at market conditions, refer to the sale of insurance policies of Mediolanum Assicurazioni S.p.A., company owned 50-50 by the Fininvest and Doris Groups; item 7 *Other expense* includes the amount of the aforesaid commission retroceded to Banca Mediolanum S.p.A., company valued by the equity method.

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

As noted for the item *Other technical revenues net of reinsurance* of the technical account, at June 30, 2003 we reclassified the value of the management fees that Mediolanum Vita S.p.A. received from sister company Mediolanum International Funds Ltd in the amount of 10,697 thousand euro.

Item *Other revenues* includes interest on current accounts, for a total of 740 thousand euro.

Other costs consist of:

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Commission income from the sale of non-Life policies	2,019	1,936	4,185
Other administrative expenses of Mediolanum S.p.A.	5,968	7,839	15,747
Cost of Mediolanum S.p.A. employees	3,638	7,372	11,198
Amortisation of intangible assets	1,951	5,502	11,434
Accruals to the bad debt provision	0	0	0
Other costs	4,901	5,075	10,964
TOTAL	18,477	27,724	53,528

The decrease in the item *Amortization of intangible assets* is attributable primarily to the decreased amortization expensed by controlled company Mediolanum Vita S.p.A. on commissions payable to reinsurers, now almost totally amortized.

Item *Other costs* is composed primarily of credit losses (962 thousand euro) and interest paid on loans (3,268 thousand euro) registered by parent company Mediolanum S.p.A..

Extraordinary income (item 9) is analysed as follows:

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Gain on the sale of bonds and other fixed-income securities	130	12,124	12,962
Gain on the sale of long-term investments	374	0	0
Gain on the sale of assets	64	0	3
Out of period revenues	95	182	462
TOTAL	663	12,306	13,427

Extraordinary charges (item 10) is analysed as follows:

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Charges for fiscal amnesty	0	3,153	3,510
Loss on the sale of bonds and other fixed-income securities	0	292	292
Out of period expenses	507	1,284	2,234
TOTAL	507	4,729	6,036

E) OTHER INFORMATION

Employee information

The average workforce of the companies consolidated by the line-by-line method was composed of:

<i>Units</i>	30.06.2004	30.06.2003	31.12.2003
Managers	15	17	16
Non-management employees	119	221	143
TOTAL	134	238	159

Directors' and Statutory Auditors' emoluments

The "emoluments" paid to Directors and Statutory Auditors of Mediolanum S.p.A. for the performance of their duties, including those in other consolidated companies, are the following:

<i>Euro in thousands</i>	For services rendered to the parent company	For services rendered to other companies
Directors	572	467
Statutory auditors	48	40
TOTAL	620	507

Solvency margin

Based on profit performance in the first half of 2004, and considering the available projected data, the estimated consolidated solvency margin to establish at year-end would be 117 million euro.

According to available information, the components at year-end will probably exceed 357 million euro.

The required year-end solvency margin was estimated based on the provision of Italian Law 307 of November 3, 2003.

Information on the size and activity of controlled companies

The fees deriving from mutual fund management by Mediolanum Gestioni Funds SGR p.A. and Mediolanum International Funds Ltd, companies valued by the equity method, amount to:

<i>Euro in thousands</i>	30.06.2004	30.06.2003	31.12.2003
Entry fees	13,687	14,478	31,477
Management fees	83,165	66,426	142,811
Performance fees	38,234	35,648	84,496
TOTAL	135,086	116,552	258,784

The assets administered by the two companies total 10,812 million euro (31.12.2003: 10,007 million euro), including the investments by Mediolanum Vita S.p.A..

The assets administered by the Previgest Fund Mediolanum pension fund distributed by Mediolanum Gestione Fondi SGR p.A. amount to 18 million euro (31.12.2003: 15 million euro).

Mediolanum State Street SGR p.A., company valued by the equity method, manages closed-end funds. Administered assets amounted to 145 million euro (31.12.2003: 148 million euro). The management fees totalled 731 thousand euro (30.06.2003: 765 thousand euro).

The interest margin for the half-year 2004 generated by Banca Mediolanum was equal to 22,558 thousand euro (30.06.2003: 24,659 thousand euro), while the revenues from banking services rose from 31,626 thousand euro last year to 37,272 thousand euro for the first half of 2004.

The assets administered by Banca Mediolanum S.p.A., company valued by the equity method, equal 4,503 million euro (31.12.2003: 4,664 million euro).

The fees deriving from the management of mutual funds generated by the Fibanc Group companies amounted to 5,657 thousand euro (30.06.2003: 5,461 thousand euro), while the entry fees totalled 200 thousand euro (30.06.2003: 122 thousand euro).

The interest margin generated by the Fibanc Group companies amounted to 4,280 thousand euro (30.06.2003: 5,662 thousand euro), while administered assets were 1,953 euro (31.12.2003: 1,942 million euro).

The fees deriving from mutual fund management activity by Gamax Group companies amounted to 1,356 thousand euro for entry fees (30.06.2003: 1,546 thousand euro), 3,450 thousand euro for management fees (30.06.2003: 3,202 thousand euro), and 701 thousand euro for performance fees. The administered assets at June 30, 2004 amounted to 420 million euro (31.12.2003: 430 thousand euro).

The entry and management fees generated by Bankhaus August Lenz & Co. AG totalled 179 thousand euro (30.06. 2003: 12 thousand euro).

The interest margin for the period was a negative 399 thousand euro (30.06.2003: 11 thousand euro) due to the new policy to remunerate current accounts at rates particularly advantageous for customers. The assets administered by Bankhuas August Lenz & Co. AG at June 30, 2004 were 169 million euro (31.12.2003: 74 million euro).

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

<i>Euro in thousands</i>	Fininvest Group and associated companies	Doris Group
Financial receivables	0	0
Commercial receivables	203	203
Financial payables	0	0
Commercial payables	222	36

“Commercial receivables” relate primarily to charge-backs for governance personnel and to insurance commissions of 346 thousand euro due from Mediolanum Assicurazioni S.p.A..

“Commercial payables” consist essentially of amounts charged for IT, telecommunications and utility services provided by Fininvest Group companies and their affiliates, as well as charge-backs by Mediolanum Assicurazioni S.p.A. for personnel on loan and insurance services.

**REVENUES/COSTS WITH
FININVEST AND DORIS GROUP
COMPANIES**

<i>Euro in thousands</i>	Fininvest Group and associated companies	Doris Group
Commercial revenues	1,193	1,193
Commercial costs	1,573	192
Investment income	0	0
Investment charges	0	0
Extraordinary income	0	0
Extraordinary charges	0	0

“Commercial revenues” relate primarily to property rents (73 thousand euro), charge-backs for governance personnel (235 thousand euro), recovery of expenses (60 thousand euro) and sales commission on non-life policies (2,018 thousand euro) from Mediolanum Assicurazioni S.p.A., company owned 50-50 by the Fininvest and Doris Groups.

“Commercial costs” relate primarily to advertising, insurance services and transport services provided by Fininvest Group companies (Mondadori Pubblicità S.p.A. for 115 thousand euro, Publitalia ‘80 S.p.A. for 82 thousand euro, Mediolanum Assicurazioni S.p.A. for 384 thousand euro, and Consorzio Aeromobili Fininvest for 1,138 thousand euro).

F) CONSOLIDATION AREA

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 general shareholders' meeting.

List of 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	Basiglio	Life insurance
Partner Time S.p.A.	520	100	Basiglio	Distribution of Life insurance products
Mediolanum International Life Ltd	1,395	100	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	Basiglio	Banking
Mediolanum State Street SGR p.A.	2,000	50	Basiglio	Stockbrokerage company
Mediolanum Comunicazione S.p.A.	775	100	Basiglio	Audio/Film/TV production
Mediolanum Fiduciaria S.p.A.	510	100	Basiglio	Trust company without discretionary power
PI Distribuzione S.p.A.	517	100	Basiglio	Real estate broker
Mediolanum Gestione Fondi SGR p.A.	5,165	49	Basiglio	Management of mutual funds
Mediolanum International Funds Ltd	150	49	Dublino	Management of mutual funds
Mediolanum Asset Management Ltd	150	49	Dublino	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
FFibanc Inversiones S.A.	6,852	84.96	Barcelona	Investment company
Banco De Finanzas y Inversiones S.A.	14,032	87.78	Barcelona	Banking
Ges Fibanc SGIC S.A.	2,506	87.78	Barcelona	Management of mutual funds
Fibanc S.A.	301	87.78	Barcelona	Financial advisory company
Fibanc Pensiones S.G.F.P. S.A.	902	87.78	Barcelona	Management of pension funds
Fibanc Faif S.A.	60	87.78	Barcelona	Financial consulting company
Tanami S.A.	181	100.00	Barcelona	Real estate broker
Valora S.A.	421	87.78	Andorra	Asset management
Mediolanum Gestione Fondi SGR p.A.	5,165	51.00	Basiglio	Management of mutual funds
Mediolanum Asset Management Ltd	150	51.00	Dublin	Asset management and consultancy
Mediolanum International Funds Ltd	150	51.00	Dublin	Management of mutual funds
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	Munich	Fund sales network
Gamax Austria GmbH	40	100.00	Salzburg	Fund sales network
Bankhaus August Lenz & Co. AG	8,000	100.00	Munich	Banking
Mediolanum Private S.A.M.	500	99.94	Principality of Monaco	Asset management

List of companies directly controlled that are valued at cost:

Company	Share capital	% holding	Office	Activity
Mediolanum Life Financial Service Ltd	Euro 5	100	Dublin	Company in liquidation
Fibanc Argentina S.A.	ARS 50,000	82,51	Buenos Aires	Business representatives

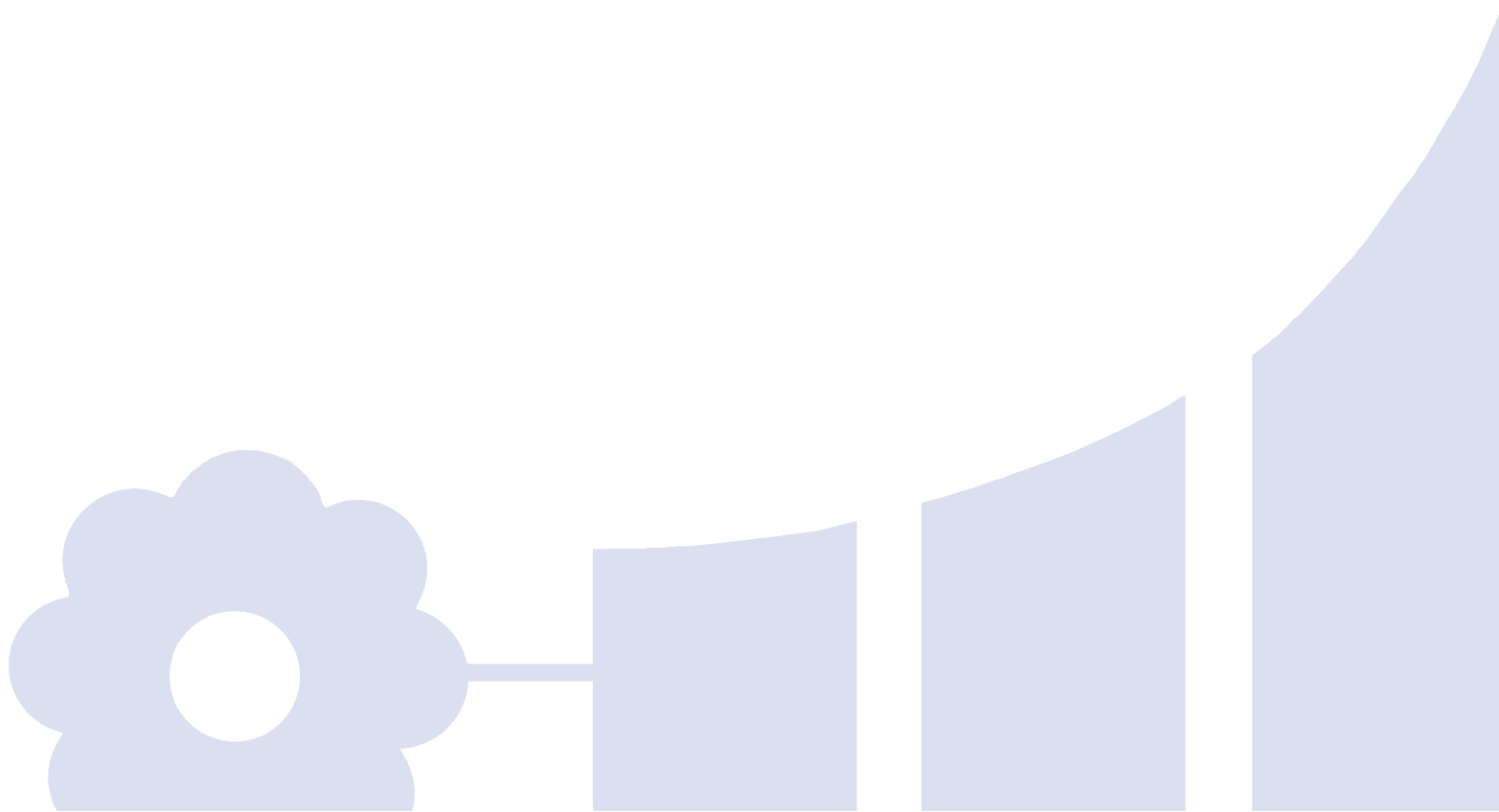
List of companies associated to Mediolanum S.p.A. that are valued using the equity method:

<i>Euro in thousands</i> Company	Share capital	% holding	Office	Activity
Banca Esperia S.p.A.	13,000	48,5	Milan	Banking

For The Board of Directors
The Chairman
Prof. Roberto Ruozi

MEDIOLANUM GROUP

*CONSOLIDATED
ATTACHMENTS*



ATTACHMENT 1

ANALYSIS OF CHANGES IN OTHER INTANGIBLE ASSETS AS AT JUNE 30, 2004

Euro in thousands

Intangible assets	Opening situation			
	Historic cost	Cumulative Amortisation	Balance as at 01.01.2004	Additions
Start-up and expansion costs	44,791	(44,032)	759	
Concessions, licences, trademarks and similar rights	23,140	(15,663)	7,477	491
Improvements on leased properties	2,673	(2,506)	167	
Intangible assets in progress	163	0	163	
Consolidation difference	164	(38)	126	
TOTAL	70,931	(62,239)	8,692	491

ATTACHMENT 2

ANALYSIS OF CHANGES IN TANGIBLE FIXED ASSETS AS AT JUNE 30, 2004

Euro in thousands

Land and buildings	Opening situation			
	Historic cost	Cumulative Depreciation	Balance as at 01.01.2004	Additions
Land and buildings	78,385	(7,668)	70,717	1
Tangible assets in progress	83	0	83	
TOTAL LAND AND BUILDINGS	78,468	(7,668)	70,800	1

Euro in thousands

Other tangible assets	Opening situation			
	Historic cost	Cumulative Depreciation	Balance as at 01.01.2004	Additions
Plant and machinery	221	(204)	17	3
Industrial and trade equipment	1,728	(1,197)	531	4
Other tangible fixed assets	14,181	(12,502)	1,679	79
Fixed assets in progress	4	0	4	
TOTAL OTHER TANGIBLE ASSETS	16,134	(13,903)	2,231	86

Movements for the period			Closing situation		
Net disposals	Amortisation	Net reclassifications	Historic cost	Cumulative Amortisation	Balance as at 30.06.2004
	(344)		44,791	(44,376)	415
	(1,556)	38	23,669	(17,219)	6,450
	(43)		2,673	(2,549)	124
(94)		(38)	31	0	31
	(8)		164	(46)	118
(94)	(1,951)	0	71,328	(64,190)	7,138

Movements for the period			Closing situation		
Net disposals	Depreciation	Net reclassifications	Historic cost	Cumulative Depreciation	Balance as at 30.06.2004
(659)	(448)		77,727	(8,116)	69,611
			83	0	83
(659)	(448)	0	77,810	(8,116)	69,694

Movements for the period			Closing situation		
Net disposals	Depreciation	Net reclassifications	Historic cost	Cumulative Depreciation	Balance as at 30.06.2004
	(5)		224	(209)	15
	(76)		1,732	(1,273)	459
(1)	(462)	112	14,371	(12,964)	1,407
	0		4	0	4
(1)	(543)	112	16,331	(14,446)	1,885

ATTACHMENT 3

ANALYSIS OF CHANGES IN CONSOLIDATED CAPITAL AND RESERVES AS AT JUNE 30, 2004

<i>Euro in thousands</i>	Share capital	Net equity reserves	Consolidation reserve
Consolidated balance as at December 31, 2003	72,567	244,397	112,485
Increase of paid-in share capital			
Allocation of profit for the period:			
- payment of dividends out of profits			
- reserve		(653)	3,712
Creation of reserve for own shares		100	
Consolidation of Mediolanum International Life Ltd			
Consolidation by the equity method of companies previously valued at cost			
Profit (loss) for the period			
Consolidated balance as at June 30, 2004	72,567	243,844	116,197

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
1,394	77	2,091	129,427	562,438
				0
				0
			(79,824)	(79,824)
46,544			(49,603)	0
		(56)		44
				0
				0
			76,838	76,838
47,938	77	2,035	76,838	559,496

ATTACHMENT 4

Euro in thousands

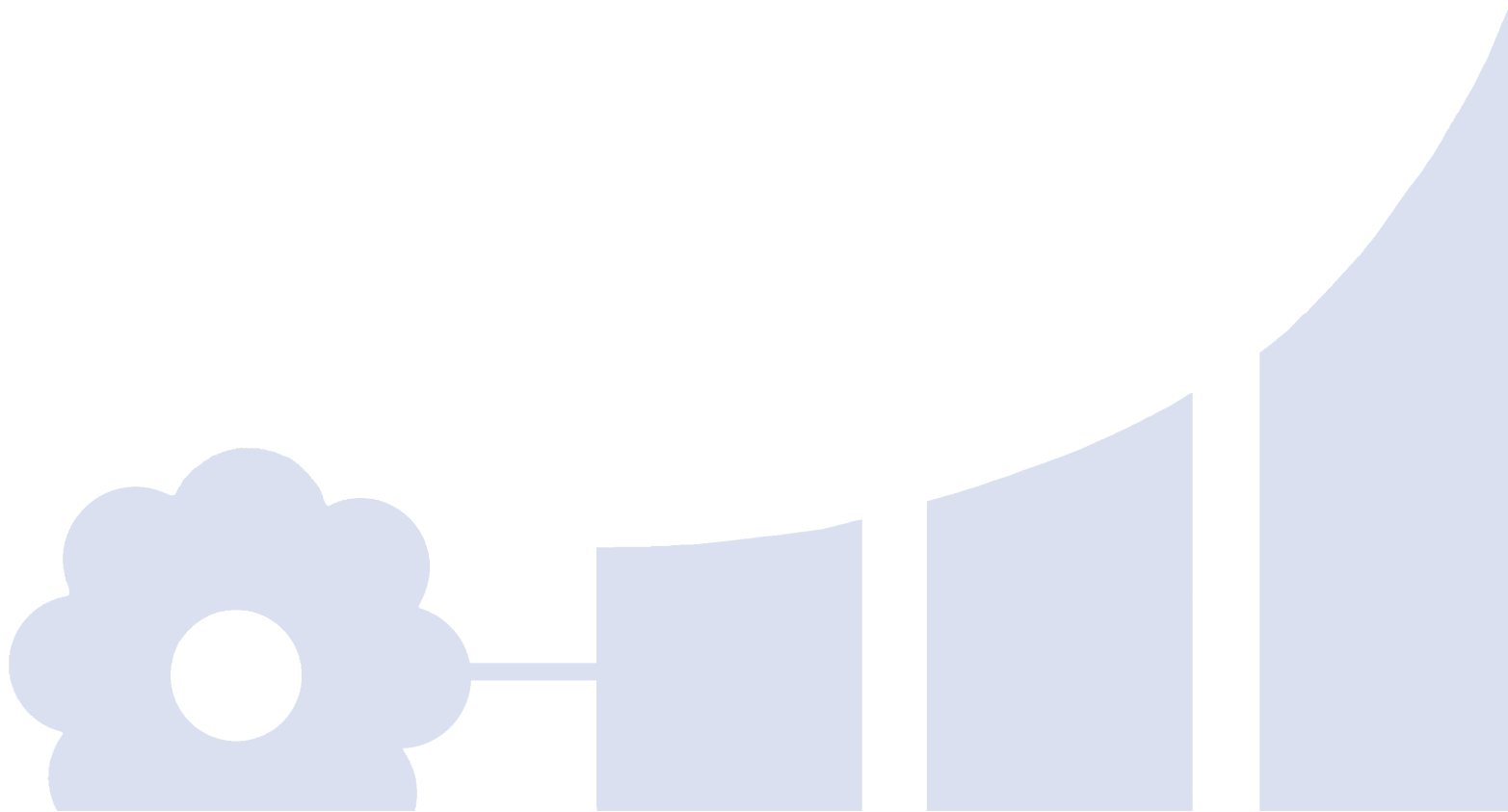
30.06.2004

CONSOLIDATED CASH FLOW STATEMENT AS AT JUNE 30, 2004

A) SOURCE OF FINANCE	
Cash flows generated by operations:	
Group profit (loss) for the period	76,838
Change in technical reserves net of reinsurance	969,398
Amortisation, depreciation of tangible and intangible assets	2,943
Net provision for risks and charges	(27,597)
Net change in employee termination indemnity	(391)
Net change in other receivables and payables, assets and liabilities	56,059
TOTAL CASH FLOW GENERATED BY OPERATIONS	1,077,250
Decrease in tangible and intangible assets	754
Decrease in other financial investments	37,536
Share capital increase	44
TOTAL CASH FLOW GENERATED	1,115,584
B) APPLICATION OF FUNDS	
Increase in tangible and intangible assets	690
Own shares acquired	(56)
Increase in other financial investments	1,149,142
Distributed dividends	79,824
TOTAL APPLICATION OF FUNDS	1,229,600
C) CASH FLOW FOR THE PERIOD (A-B)	(114,016)
D) Cash and liquid assets (opening balance)	284,177
E) Cash and liquid assets (closing balance)	170,161
F) CHANGE IN CASH AND LIQUID ASSETS (E-D)	(114,016)

MEDIOLANUM S.P.A.

*FINANCIAL STATEMENTS
AS AT JUNE 30,
2004*



Balance sheet

ASSETS	<i>Euro</i>	30.06.2004	31.12.2003	30.06.2003
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		186	372	616
Concessions, licences, trademarks and similar rights		973,328	1,261,953	1,380,364
Other intangible assets		64,685	88,216	110,522
Intangible assets under formation and advances		4,141	121,515	152,110
TOTAL I - INTANGIBLE ASSETS		1,042,340	1,472,056	1,643,612
II - Tangible fixed assets				
Other assets		1,291,404	1,484,436	1,837,037
Assets under formation/Payments on account		4,704	4,704	0
TOTAL II - TANGIBLE FIXED ASSETS		1,296,108	1,489,140	1,837,037
III - Financial assets				
Investments in:				
Controlled companies		490,827,565	480,827,565	481,127,565
Affiliated companies		25,811,586	25,811,586	25,811,586
Other companies		173,675,771	173,660,171	172,582,147
Accounts receivable:				
Due from controlled companies		39,091	38,701	1,329,375
Due from other companies		137,164	476,011	476,921
TOTAL III - FINANCIAL ASSETS		690,491,177	680,814,034	681,327,594
TOTAL FIXED ASSETS		692,829,625	683,775,230	684,808,243
C) Current assets				
I - Inventory		0	0	0
II - Accounts receivable:				
Due from customers		23,305	166,585	160,236
Due from controlled companies		17,491,225	142,852,578	13,380,585
Due from associated companies		0	0	6,000
Due from Fininvest Group and Doris Group companies		379,417	425,744	431,643
Due from others		15,267,639	22,319,363	20,455,385
TOTAL I - II - ACCOUNTS RECEIVABLE		33,161,586	165,764,270	34,433,849
III - Current financial assets				
Other securities		589	589	589
Own shares (total nom. value 38,500 euro)		2,035,106	2,091,739	1,956,181
TOTAL III - FINANCIAL ASSETS		2,035,695	2,092,328	1,956,770
IV - Liquid assets				
Bank and postal deposits		14,369,819	17,492,066	28,233,638
Cash		6,424	13,950	10,678
TOTAL IV - LIQUID ASSETS		14,376,243	17,506,016	28,244,316
TOTAL CURRENT ASSETS		49,573,524	185,362,614	64,634,935
D) Prepayments and accrued income				
Accrued income		28,191	6,881	92,637
Prepayments		162,338	253,520	485,511
TOTAL PREPAYMENTS AND ACCRUED INCOME		190,529	260,401	578,148
TOTAL ASSETS		742,593,678	869,398,245	750,021,326

Euro	30.06.2004	31.12.2003	30.06.2003
A) Capital and reserves			
I - Share capital	72,566,861	72,566,861	72,566,861
II - Share premium reserve	45,761,836	45,761,836	45,761,836
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	2,035,106	2,091,739	1,956,181
VI - Statutory reserve	0	0	0
VII - Other reserves:			
extraordinary reserve	205,671,375	181,341,696	181,477,254
VIII - Retained earnings (loss)			
IX - Profit (loss) for the period	(2,516,766)	104,054,243	(7,656,554)
TOTAL CAPITAL AND RESERVES	340,881,206	423,179,169	311,468,372
B) Provisions for risks and charges			
Provision for deferred taxes	0	988,666	0
Other	32,977	422,282	422,282
TOTAL PROVISIONS FOR RISKS AND CHARGES	32,977	1,410,948	422,282
C) Employee termination indemnity	1,408,692	1,828,099	1,927,884
D) Accounts payable			
Bank debt	250,000,000	160,000,000	290,000,000
Due to other financiers	0	130,000,000	0
Due to trade accounts	1,350,209	2,785,943	2,650,232
Due to controlled companies	138,099,515	146,059,309	138,313,438
Due to Fininvest Group and Doris Group companies	130,679	669,139	737,811
Due to shareholders	0	0	4,851
Due to tax authorities	838,133	1,030,945	1,002,621
Due to social security institutions	312,141	396,085	443,793
Other accounts payable	7,947,234	582,629	1,153,322
TOTAL ACCOUNTS PAYABLE	398,677,911	441,524,050	434,306,068
E) Accruals and deferred income			
Accrued expenses	1,592,892	1,455,979	1,896,720
TOTAL ACCRUALS AND DEFERRED INCOME	1,592,892	1,455,979	1,896,720

SHAREHOLDERS' EQUITY AND LIABILITIES

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	742,593,678	869,398,245	750,021,326
OFF-BALANCE SHEET ITEMS	8,542,677	9,122,719	9,120,719

Income statement

Euro	30.06.2004	30.06.2003	31.12.2003
A) Value of production			
Revenues from sales and services	86,711,092	73,386,026	165,661,442
Other revenues	1,602,772	3,851,194	5,550,186
TOTAL VALUE OF PRODUCTION	88,313,864	77,237,220	171,211,628
B) Cost of production			
Raw, ancillary and consumable materials and goods	90,866	164,961	252,908
Services received	81,303,544	70,750,326	158,430,836
Leases and rentals	1,430,287	2,473,991	4,536,992
Personnel costs:			
wages and salaries	2,177,853	4,604,145	6,949,056
social security contributions	741,689	1,562,539	2,353,171
employee termination indemnity	146,887	316,847	921,726
other personnel costs	314,738	356,435	19,608
Depreciation, amortisation and write-downs:			
amortisation of intangible assets	335,839	388,001	835,094
depreciation of tangible fixed assets	374,896	420,040	822,021
Sundry operating costs	321,536	644,794	614,907
TOTAL COST OF PRODUCTION	87,238,135	81,682,079	175,736,319
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION	1,075,729	(4,444,859)	(4,524,691)
C) Investment income and charges			
Income from investments:	191,693	607,344	118,042,866
Other investment income:			
from receivables from controlled companies included in fixed assets	390	16,704	30,189
other financial income	514,211	432,375	713,707
Interest and other investment charges:			
paid to banks	(3,269,275)	(4,639,046)	(8,019,854)
paid to controlled companies	(1,342,998)	(1,709,768)	(3,124,801)
discounts and other investment charges	(350)	(102)	(257)
TOTAL INVESTMENT INCOME AND CHARGES	(3,906,329)	(5,292,493)	107,641,850
D) Adjustments to the value of financial investments			
Write-ups			
Write-downs:			
of non-investment securities included in current assets	(56,633)	(135,559)	0
TOTAL ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	(56,633)	(135,559)	0
E) Extraordinary income and charges			
Income:			
gain on disposals	12,456	0	3,000
out of period revenues	20,339	46,111	63,937
Charges:			
out of period expenses	(311,216)	(22,012)	(297,693)
realized loss on debt	(94,061)	0	0
tax amnesty previous year	0	(1,161,246)	(1,211,246)
TOTAL EXTRAORDINARY ITEMS	(372,482)	(1,137,147)	(1,442,002)
PROFIT BEFORE TAXES	(3,259,715)	(11,010,058)	101,675,157
Income taxes for the period	742,949	3,353,504	2,379,086
PROFIT (LOSS) FOR THE PERIOD	(2,516,766)	(7,656,554)	104,054,243

MEDIOLANUM S.P.A.

ATTACHMENTS

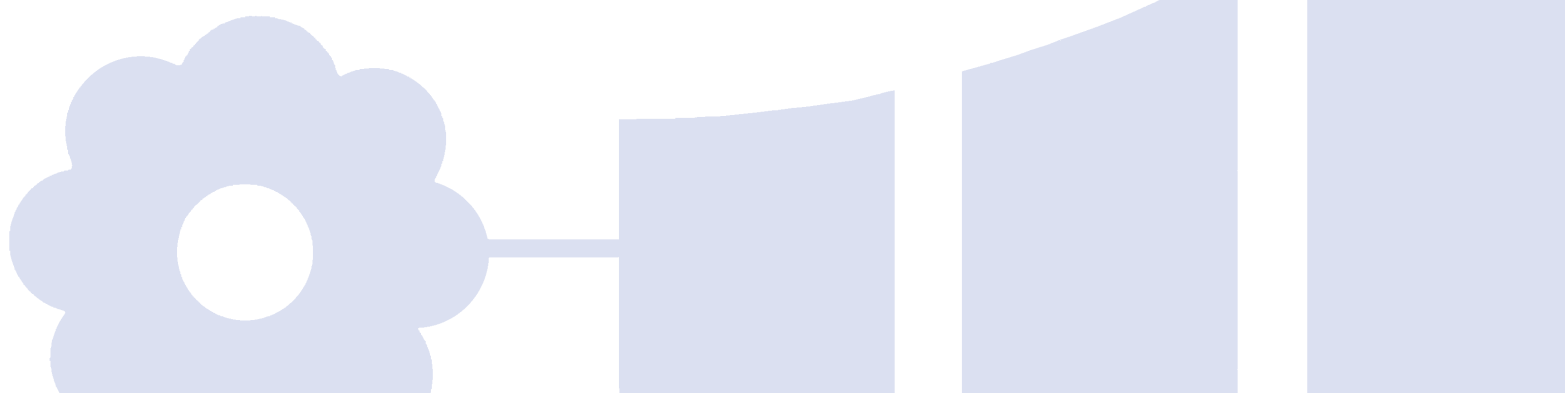


TABLE OF SHAREHOLDINGS
AS PER ART. 125 OF
CONSOB REGULATION
NO.11971/1999
REFERENCE DATE
JUNE 30, 2004

Company name	Country	Total % holding
Banca Esperia S.p.A.	Italy	48.50
Banca Mediolanum S.p.A.	Italy	100.00
Banco De Finanzas y 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
Ges.Fibanc S.G.I.I.C. S.A.	Spain	100.00
Mediolanum Asset Management Ltd	Ireland	100.00
Mediolanum Comunicazione S.p.A.	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 Financial Service Ltd in liq.	Ireland	100.00
Mediolanum Private S.A.M.	Principality of Monaco	99.94
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.p.A.	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.	81.244
	Banca Mediolanum S.p.A.	18.756
indirect control	Banca Mediolanum S.p.A.	100.00
direct control	Mediolanum S.p.A.	14.00
indirect control	Banco De Finanzas y Inversiones S.A.	94.00
indirect control	Banco De Finanzas y Inversiones S.A.	100.00
indirect control	Banca Mediolanum S.p.A.	81.042
	Tanami S.A.	3.918
indirect control	Banco De Finanzas y Inversiones S.A.	100.00
indirect control	Banco De Finanzas y 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	Banco De Finanzas y 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
indirect control	Banca Mediolanum S.p.A.	99.997
direct control	Mediolanum S.p.A.	0.003
direct control	Mediolanum S.p.A.	100.00
indirect control	Mediolanum International S.A.	99.94
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 y Inversiones S.A.	100.00

**AUDITORS' REPORT ON THE REVIEW
OF THE MANAGEMENT REPORT
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2004 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 statements of Consolidated Balance Sheet and Consolidated Statement of Income (the "Statements") and related Notes included in the Management Report of Mediolanum S.p.A. for the six months period ended June 30, 2004. The Management Report is the responsibility of the Mediolanum S.p.A.'s management. Our responsibility is to issue the present report based on our review. 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 remaining part of the Management Report.
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 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 Management Report of Mediolanum S.p.A. as of and for the six months period ended June 30, 2004, 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, 2003 and for the six months period ended June 30, 2003, reference should be made to our audit and review reports issued on April 9, 2004 and on September 29, 2003 respectively.

4. Based on our review, we did not become aware of any significant modifications that should be made to the 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 six months period Management Report, stated by Consob regulations as approved in its resolution No. 11971 of May 14, 1999 and subsequent modifications.

Milan, September 20, 2004

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

Milan, 9 September 2004

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, the insurance and financial services consultancy business of Towers Perrin, has assisted the Mediolanum Group regarding the methodology and the assumptions to be used, and has calculated the embedded value of the Group as at 30 June 2004, 31 December 2003 and 30 June 2003, together with the embedded value earnings in the first half of 2004, in the full year 2003, and in the first half of 2003. The estimates of value determined 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, but have not undertaken 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 7.25% as at 30 June 2004 and 31 December 2003 (6.75% as at 30 June 2003) 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 June 2004	31 December 2003	30 June 2003
Adjusted net worth (including goodwill)	560	564	493
Elimination of outstanding goodwill	(129)	(137)	(147)
Value of in-force Life business	1,373	1,263	1,232
Value of in-force Asset Management business	362	339	303
Embedded Value	2,166	2,029	1,881

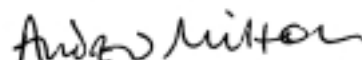
The following table shows the principal components of the Group's embedded value earnings in the first half of 2004, in the full year 2003 and in the first half of 2003.

Embedded Value Earnings (Euro million)

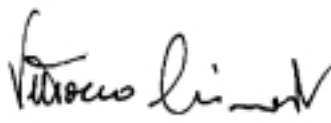
	1st half 2004	Year 2003	1st half 2003
Expected return	65	120	59
Experience variances	75	20	26
Operating assumption changes	-	15	-
Economic and Tax assumption changes	(4)	(25)	(21)
New Life business	69	124	61
New Asset Management business	14	31	12
Impact of acquisitions in the period	(2)	-	-
Embedded value earnings	217	285	137

The valuations make use of actuarial methodology typically used in embedded value reporting, based on deterministic projections of future after-tax profits, with an allowance for risk through the use of a single risk discount rate and an explicit assumption for the level and cost of holding capital. The allowance for risk may not correspond to a capital markets valuation of such risk. In this context, 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 that the resulting values, as shown in this letter, are reasonable.

Yours sincerely



Andrew Milton
Fellow of the Institute of Actuaries



Vittorio Chimenti
Attuario