

**Half-Year
Financial
Report at
June 30
2010**

Table of Contents

2	Corporate Governance Officers
3	Group structure
4	Mediolanum Group's Financial Highlights
6	Interim Management Report
	The macroeconomic environment
	Mediolanum Group's performance
	Consolidated Inflows, Asset under Management and Assets under Administration
	The Sales Networks
	Consolidated Income Statement
	Key corporate events and performance of companies within the Group
	Intercompany and related party transactions
	Post Balance Sheet Date Events
	Main risks and uncertainties
28	Condensed Consolidated Accounts
	Balance Sheet
	Income Statement
	Statement of Comprehensive Income
	Statement of changes in shareholders' equity
	Cash flow statement
36	Notes to the Condensed Consolidated Financial Statements
	Accounting policies
	Key balance sheet information
	Reconciliation of parent company's shareholders' equity to consolidated shareholders' equity
	Key income statement information
	Income statement information by operating segment
81	Responsibility Statements

The English version of the Half-Year Financial Report is a translation of the Italian text provided for the convenience of international readers.

**Half-Year
Financial
Report at
June 30
2010**

Registered Office: Meucci Building, Via Sforza – Basiglio – Milano Tre (Milan)
Share capital €73,142,397.90 – fully paid up
Tax, VAT and Milan Register of Companies Registration No. 11667420159

Corporate Governance Officers

BOARD OF DIRECTORS

Roberto Ruozì	Chairman of the Board
Alfredo Messina	Deputy Chairman of the Board
Massimo Antonio Doris	Executive Deputy Chairman
Ennio Doris	Chief Executive Officer
Luigi Berlusconi	Director
Pasquale Cannatelli	Director
Maurizio Carfagna	Director
Bruno Ermolli	Director
Edoardo Lombardi	Director
Mario Molteni	Director
Danilo Pellegrino	Director
Angelo Renoldi	Director
Paolo Sciumè	Director
Antonio Zunino	Director

BOARD OF STATUTORY AUDITORS

Ezio Maria Simonelli	Chairman
Riccardo Perotta	Standing Auditor
Francesco Vittadini	Standing Auditor
Ferdinando Giuseppe Gatti	Alternate Auditor
Antonio Marchesi	Alternate Auditor

BOARD SECRETARY

Luca Maria Rovere

INDEPENDENT AUDITORS

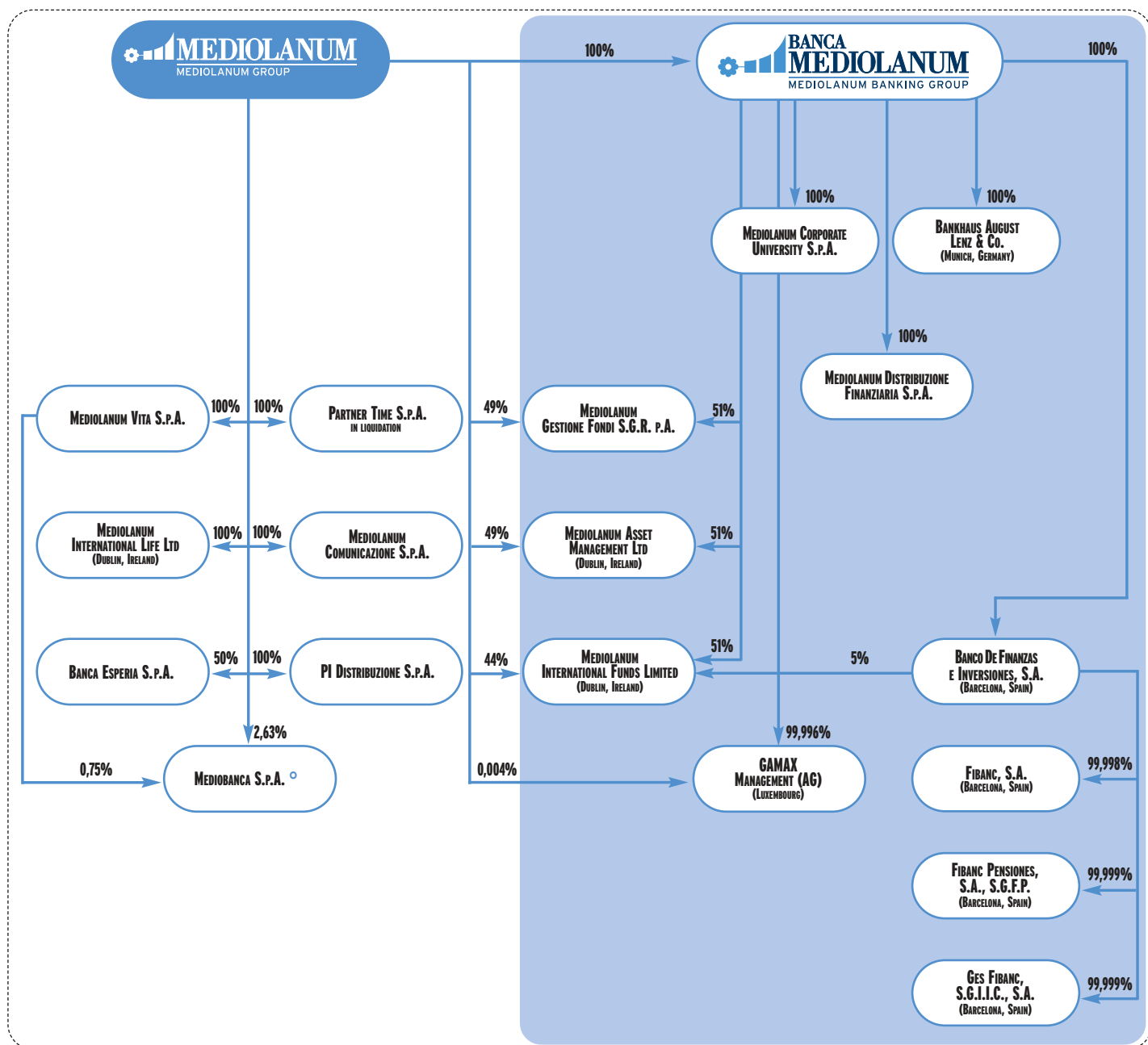
Reconta Ernst & Young S.p.A.

OFFICER RESPONSIBLE FOR PREPARING ACCOUNTING AND FINANCIAL REPORTING DOCUMENTS

Luigi Del Fabbro

Group structure

as of June 30, 2010



◻ • MEDIOLANUM FINANCIAL CONGLOMERATE

■ • MEDIOLANUM BANKING GROUP

◦ Since Mediobanca holds treasury shares, total shareholding amounts to 3,444% of voting rights.

Mediolanum Group's Financial Highlights

€/m	June 30, 2010	June 30, 2009	change %	Dec. 31, 2009
Assets under management and administration ^(*)	43,042.3	33,018.3	30%	40,393.9
Net inflows	2,617.3	2,115.8	24%	6,928.4
Profit before tax	108.0	130.6	-17%	257.6
Income Tax	(23.3)	(22.9)	2%	(40.3)
Net profit	84.6	107.7	-21%	217.3

€	June 30, 2010	June 30, 2009	change %	Dec. 31, 2009
Earnings per share ^(**)	0.116	0.147	-21%	0.297

(*) The figures relate to retail customers only.

(**) Net earnings attributable to holders of ordinary shares divided by the weighted average number of ordinary shares in issue.



**Interim
Management
Report**

Interim Management Report

For the first half of 2010 the Mediolanum Group reported net profit of €84,648 thousand, down 21% from €107,689 thousand at June 30, 2009.

It should be noted, however, that in the period under review the Group posted remarkable business growth, particularly in net inflows that were up 24% over the same period of the prior year to €2,617.3 million (H1 2009: €2,115.8 million).

● The macroeconomic environment

While confirming global GDP growth for the first quarter, data released in the second quarter of 2010 showed signs of a possible slowdown. In particular, high unemployment and its implications on consumer spending and confidence continued to raise major concerns.

In Europe, doubts over the financial sustainability of sovereign debts prompted governments to take tax policy measures to reduce budget deficits and financial authorities to test the resilience of financial institutions under various stress scenarios, e.g. a deterioration of Euro zone sovereign debt markets, increased risk premium, an interest rate spike and another downturn.

In the first quarter of 2010, GDP grew by 2.7% in the US (annualised rate) and by 0.2% in the Euro zone (non annualised rate), continuing the positive trend recorded in the second half of 2009 and bearing out these two key economies were definitely out of recession. Specifically, in the Euro zone, GDP grew 0.4% in Italy, 0.2% in Germany, 0.1% in France and 0.08% in Spain, while shrinking by 1.0% in Greece. In the same period the UK recorded GDP growth of 0.3%.

In the second quarter of the year, business confidence remained solid yet less upbeat on growth, while the gloomy labour market landscape continued to depress consumer sentiment and demand for goods and services. Unemployment remained at historically high levels: 9.7% in the US and 10% in the Euro zone.

Due to the uncertainties surrounding the sustainability of the current recovery, high unemployment and low capacity utilisation rates, inflation remained subdued. Again, in the second quarter, the European Central Bank and the US Fed kept the refinancing rate on hold at 1% and 0-0.25% respectively.

○ Financial Markets

In the period under review, concerns about the sustainability of sovereign debt in 'peripheral' countries of the Euro zone brought about a progressive significant increase in investors' risk aversion. In the US, there was a downward correction of 7.57% in the S&P500 and of 7.05% in the NASDAQ Composite. European stock markets on average were down 4.16% (DJ STOXX 600), Italy's FTSE MIB was off 16.93%. In emerging countries stock markets recorded, on average, a downward correction of over 7% (MXEF in US dollars).

The financial crisis in Greece entailed a dramatic increase in the spreads between Greek and German treasur-

ies on all maturities. Spain, Portugal, Ireland and Italy saw their treasuries' yield curve steepen too, while yields on German treasuries declined on all maturities (from 1.33% to 0.60% on 2-year notes; from 2.42% to 1.46% on 5-year notes, from 3.39% to 2.58% on 10-year notes and from 4.11% to 3.29% on 30-year bonds). The yield spread between 2-year and 10-year notes declined from 206 bps at the beginning of the year to 198 bps at June 30, 2010. From the beginning of the year to June 30, 2010, the yield spread between Italian and German treasuries increased from 75 bps to 152 bps on 10-year notes and from 21 bps to 150 bps on 2-year notes.

The reduced risk appetite entailed also wider credit spreads on emerging countries' and high yield debt issues.

On the interbank market, 3-month EURIBOR rate reversed trend increasing from 0.70% at December 31, 2009 to 0.767% at June 30, 2010.

In the first half of the year, owing to the deterioration of the financial conditions of 'peripheral' countries in the Euro zone, the US dollar strengthened against the Euro from 1.4321 at December 31, 2009 to 1.2238 at June 30, 2010.

○ The Insurance Market

Data released by ANIA, the Association of Italian Insurers, show that in the first 5 months of 2010 new business written soared 45% over the same period of the prior year to €31.8 billion. Growth was largely driven by traditional policies (class I) that rose 26.2% from €19 billion in 2009 to €24 billion in 2010. New premiums written under unit-linked and index-linked policies (class III) jumped 227.6% to €6.3 billion at the end of May 2010.

In the first 5 months of the year, EU companies conducting business in Italy (ANIA data) posted new premiums written of €3.1 billion, up 53.5% over the prior year. Including also these companies, new business written since the beginning of the year amounted to €35 billion, up 45.7%. The analysis by distribution channel shows banks and post offices posted 45.1% growth in new business written and their market share increased to 67.9%. Business written through financial advisors rose 64.3%, with a market share of 12.2%.

● Mediolanum Group's performance

One of the key development in the period under review was notable growth in net inflows that were up 24% to €2,617.3 million from €2,115.8 million in the first half of 2009. Management fees grew too, by about €52 million, boosted by the increase in both net inflows and net asset value that generated 40% average asset growth over the first six months of the prior year. Factoring out commissions paid out to the sales network and third-party asset managers, management fees rose about €40 million.

Asset growth also shored up performance fees that declined only about €5 million over the same period of the prior year. Performance fees recorded exceptional results in the first quarter and were down 70% in the second quarter.

On the other hand, low interest rates entailed an about €25.5 million decline in net interest income and net income on investments at fair value was down about €20 million largely due to unrealised losses on fair value measure-

ment of these holdings at the end of the period under review. The Group also recorded €3.7 million impairment of other investments, namely available for sale financial assets, of which €2.7 million relating to the investment in Assicurazioni Generali S.p.A..

As the Group already accounted for the reduced deductibility of variations in life technical reserves introduced by Italian Government decree 78 of May 2010 – already ratified by Italy's Senate and due to be converted into law by July 30, 2010 after approval by Italy's House of Representatives – net profit for the period was also impacted by an about €4.3 million additional tax charge.

At June 30, 2010, the Mediolanum Group recorded total assets under management and administration of €43,042.3 million, up 30% from €33,018.3 million in the same period of the prior year and up 7% from €40,393.9 million at December 31, 2009.

For the period under review Banca Mediolanum reported net inflows of €2,184.5 million, up 9% from the already exceptional figure posted in the same period of the prior year (€2,008.3 million).

The analysis of net inflows shows that net inflows generated by the insurance policy associated with the Freedom bank account amounted to €1,132.2 million versus €2,210.0 million at June 30, 2009. Third-party structured bonds – not distributed by the Group in the first half of 2009 – generated €434.8 million inflows. Due to their features, third-party structured bonds actually replaced index linked policies that were discontinued last November. Inflows into other asset management products amounted to €539.4 million (H1 2009: €794.6 million). Inflows into asset management products and third-party structured bonds in the aggregate amounted to €974.2 million versus €794.6 million for asset management products only, in the first half of 2009.

For the period under review the Group reported net inflows into administered assets of €78.0 million versus net outflows of €996.3 million in the same period of the prior year.

○ First half 2010 commercial initiatives

In May 2010, Banca Mediolanum entered into alliances with three of the most prestigious international investment houses, namely: DWS Investments (Deutsche Bank Group) and the US firms Franklin Templeton Investments and Allianz Group's PIMCO.

Adding to those made in March 2008 with BlackRock, J.P. Morgan Asset Management and Morgan Stanley Investment Management, these three alliances further broadened and deepened the offering of asset management products to Mediolanum Group's customers across Italy.

Today people can invest their savings in any markets or sectors across the world. However, if they want to seize the best investment opportunities and maximise returns they need the local presence, specific expertise and excellent management skills that only major international investment management groups can offer. This is why Banca Mediolanum entered into strategic alliances with the investment management firms named above combining its recognised talent in the provision of sound investment management advice with its partners' global reach and well-established management skills.

The alliances made in 2008 have already proven their worth in terms of both inflows growth – even at a time when the market was seeing massive outflows – and returns. Thus, especially at international level, partnering up with Banca Mediolanum is considered not only a source of excellent business at a particularly challenging juncture, but also an indication of the high professional status enjoyed by Banca Mediolanum’s partners.

Thanks to the alliances with international partners, Banca Mediolanum’s Private and Family Bankers can now offer their clients additional investment opportunities as part of a top-notch range of products that takes advantage of the specific sector expertise of the partners and allows for maximum investment diversification.

Specifically, the alliance with DWS Investments gives Mediolanum customers the opportunity to invest in those growth sectors that are reshaping the global economic landscape such as the agro-food business, energy efficiency and sustainable development, as well as infrastructure. The alliance with Franklin Templeton Investments, an investment house specialised in emerging markets, expands the investment offering in these economies that are expected to continue to grow at a much faster pace. Last but not least, the alliance with PIMCO gives Mediolanum customers the edge of funds that invest in inflation-protected bonds, commodities, property and other asset classes.

These three investment lines add to the other international lines of Mediolanum Best Brands that so far have delivered excellent results especially under accumulation plans, a form of investment that reveals the true value of Family Bankers’ advice on products that are the very best investment management boutiques can offer.

May also saw the launch of the new advertising campaign for the products under the alliances with all six international partners. The advertising campaign lasted two weeks and consisted of 260 televised commercials, each of ninety seconds, as well as advertisements in the press and on the radio.

● Consolidated Inflows, Assets under Management and Assets under Administration

○ Net Inflows

€/million	June 30, 2010	June 30, 2009	Change
Life insurance products	(555.8)	358.8	n.s.
Asset Management Products	1,095.2	435.8	151%
Total managed assets inflows	539.4	794.6	(32%)
<i>Freedom</i> Life Policies	1,132.2	2,210.0	(49%)
Third-party structured bonds	434.8	-	n.s.
Administered assets	78.0	(996.3)	n.s.
BANCA MEDIOLANUM	2,184.5	2,008.3	9%
BANCA ESPERIA (*)	395.5	152.7	159%
Total ITALY	2,580.0	2,161.1	19%
SPAIN	27.6	(28.6)	n.s.
GERMANY	9.7	(16.7)	n.s.
Total FOREIGN MARKETS	37.3	(45.3)	n.s.
TOTAL NET INFLOWS	2,617.3	2,115.8	24%

○ Assets under Management and under Administration^(*)

€/million	June 30, 2010	Dec. 31, 2009	June 30, 2009
Life Products	14,604.5	14,988.8	13,447.2
<i>Freedom</i> Life Policies	5,704.0	4,571.8	2,211.0
Asset Management products	17,202.0	15,759.2	12,984.9
Banking products	6,121.6	5,785.8	5,422.7
Consolidation adjustments	(8,468.1)	(8,167.0)	(7,003.8)
BANCA MEDIOLANUM	35,164.0	32,938.6	27,062.1
Banca Esperia Group (**)	6,015.8	5,591.3	4,290.1
Total ITALY	41,179.8	38,529.9	31,352.2
SPAIN	1,566.5	1,583.0	1,424.7
GERMANY	296.0	281.0	241.4
Total FOREIGN MARKETS	1,862.5	1,864.0	1,666.1
TOTAL ASSETS UNDER MANAGEMENT & ADMINISTRATION	43,042.3	40,393.9	33,018.3

(*) The figures relate to retail customers only.

(**) The figures relating to the Banca Esperia Group are stated on a pro-rata basis according to the stake held by the Mediolanum Group in that entity, i.e. 50%.

At June 30, 2010, total assets under management and administration amounted to €43,042.3 million up 7% from €40,393.9 million at December 31, 2009 and up 30% from €33,018 million at June 30, 2009.

The analysis of new business as well as of assets under management and administration by operating segment is set out below.

○ Italy - Life

At June 30, 2010, total life products amounted to €14,604.5 million versus €14,988.8 million at year end 2009 (H1 2009: €13,447.2 million).

€/million	June 30, 2010	Dec. 31, 2009	June 30, 2009
Unit-linked life products	8,479.6	8,128.5	6,931.7
Index-linked life products	4,753.5	5,485.8	5,209.5
Traditional life products	1,371.4	1,374.5	1,306.0
Total Life Products (ex-'Freedom')	14,604.5	14,988.8	13,447.2
'Freedom' Life Policies	5,704.0	4,571.8	2,211.0

€/million	June 30, 2010	June 30, 2009	Change
Recurring premiums	52.8	67.1	(21%)
Single premiums and group policies	124.7	588.2	(79%)
Total new business	177.5	655.2	(73%)
Pension plans in force	262.6	244.7	7%
Other business in force	313.4	340.3	(8%)
Total in-force business	576.0	585.0	(2%)
Total Premiums Written (ex-'Freedom')	753.6	1,240.3	(39%)
'Freedom' Premiums Written	4,178.4	2,644.1	58%
Total Gross Premiums Written	4,932.0	3,884.4	27%

Gross premiums written in the first six months of the year amounted to €4,932.0 million, up 27% from €3,884.4 million in the same period of the prior year.

New business stood at €177.5 million, down 73% from €655.2 million at June 30, 2009.

Excluding the *Mediolanum Plus* policy, gross premiums written in the period were down 39% to €753.6 million. Specifically, single premiums declined about 79% due to the discontinued sales of index-linked policies. The decline was offset by the placement of third-party structured bonds in the banking segment, while the new unit-linked policy 'Synergy' (€63.5 million), that replaced index-linked products, is expected to generate significant business as soon as financial markets turn around.

Recurring premiums were down 21% from €67.1 million at June 30, 2009 to €52.8 million at June 30, 2010. The decline was due to customers shifting to Best Brands accumulation plans.

Total in-force business amounted to €576 million, remaining essentially in line with the prior year's balance of €585 million (-2%).

Excluding *Freedom*, amounts paid increased 49% from €881.5 million at June 30, 2009 to €1,309.2 million at the end of the period under review. Specifically, amounts paid upon maturity were up 51% to €730.2 million, of which €615.5 million relating to index-linked policies.

€/million	June 30, 2010	June 30, 2009	Change
Claims	40.4	38.9	4%
Coupons	98.5	106.4	(8%)
Maturities	730.2	482.9	51%
Surrenders	440.2	253.3	74%
Amounts paid (ex-Freedom)	1,309.2	881.5	49%
Amounts paid under 'Freedom' contracts	3,112.6	443.7	602%

Surrenders increased 74% especially on whole life policies as customers took profits on financial market rebounds.

○ Italy - Asset management

The analysis of assets under management in the retail segment is set out below:

€/million	June 30, 2010	Dec. 31, 2009	June 30, 2009
<i>Best of brands</i> funds of funds	2,884.2	2,322.6	1,789.8
<i>Portfolio</i> funds of funds	815.8	834.2	807.4
<i>Elite</i> funds of funds	-	108.9	96.7
Funds of hedge funds	378.2	437.2	423.6
Total Funds of Funds	4,078.3	3,702.9	3,117.5
<i>Challenge</i> funds	11,093.8	10,327.6	8,401.8
Other Italy-based mutual funds	2,022.5	1,802.7	1,518.0
Other internationally-based mutual funds	236.3	271.6	255.2
Total Other Mutual Funds	13,352.6	12,401.8	10,175.0
<i>Chorus</i> managed accounts	77.0	86.4	85.2
Real estate funds and others	487.2	431.8	408.1
Duplication adjustments	(793.1)	(863.6)	(800.8)
Total asset management products	17,202.0	15,759.2	12,984.9
of which*:			
Equity	60%	60%	60%
Bond	18%	15%	16%
Money market	4%	7%	9%
Other	18%	18%	15%

(*) flexible funds were allocated in accordance with the business mix at June 30, 2010.

At June 30, 2010, total assets under management amounted to €17,202.0 million, growing 9% from €15,759.2 million at December 31, 2009.

In April 2010, the 22 open-end mutual funds of Mediolanum Gestione Fondi SGR were consolidated into 5 new Bond and Flexible funds.

The analysis of inflows into asset management products, in the retail segment, on a management basis, is set out in the table below.

Net Inflows

€/million	June 30, 2010	June 30, 2009	Change
<i>Best brands</i> funds of funds	448.8	217.8	106%
<i>Portfolio</i> funds of funds	(42.3)	(32.9)	29%
<i>Elite</i> funds of funds	(3.9)	(0.9)	319%
Total Funds of Funds	402.6	184.0	119%
<i>Challenge</i> funds	488.3	78.5	ns
Other Italy-based mutual funds	158.2	173.2	(9%)
Total Other Mutual Funds	646.5	251.7	157%
<i>Chorus</i> managed accounts	(10.5)	(5.3)	98%
Real estate funds and others	56.6	5.4	ns
Total asset management products	1,095.2	435.8	151%

Gross Inflows

€/million	June 30, 2010	June 30, 2009	Change
<i>Best brands</i> funds of funds	926.5	365.6	153%
<i>Portfolio</i> funds of funds	38.5	42.1	(9%)
<i>Elite</i> funds of funds	3.8	7.8	51%
Total Funds of Funds	968.8	415.5	133%
<i>Challenge</i> funds	1,015.3	375.4	170%
Other Italy-based mutual funds	516.2	402.1	28%
Total Other Mutual Funds	1,531.5	777.5	97%
<i>Chorus</i> managed accounts	0.4	0.8	(55%)
Real estate funds and others	66.7	22.7	194%
Total asset management products	2,567.3	1,216.6	111%

In the period under review gross inflows amounted to €2,567.3 million, climbing 111% from €1,216.6 million reported for the same period of the prior year. Growth was mostly driven by *Best Brands* funds of funds (up €560.9 million; +153%) and *Challenge* funds (up €639.9 million; + 170%), particularly *Challenge Flexible* and Total Return funds.

○ Italy - Banking

At the end of the first six months of 2010, the Group reported net inflows into administered assets of €78 million versus net outflows of €996.3 million in the same period of 2009.

Placement of third-party structured bonds generated €434.8 million inflows.

The analysis of assets under administration, on a management basis, is set out in the table below:

€/million	June 30, 2010	Dec. 31, 2009	June 30, 2009
Customer Deposits	4,042.3	3,976.9	3,585.8
Mediolanum Bonds	173.8	175.1	72.5
Third-party Structured Bonds	414.5	42.5	-
Securities in custody	1,451.3	1,541.2	1,531.3
Repurchase agreements	39.7	50.1	233.1
Total Assets under Administration	6,121.6	5,785.8	5,422.7

At June 30, 2010, there were about 580,100 Banca Mediolanum bank accounts versus about 572,800 at June 30, 2009 (up 1.3%). Primary account holders were 557,400 versus 552,400 in the same period of the prior year (up 0.9%). The limited increase reflects the closure of inactive bank accounts.

As to the *Freedom* bank account, at June 30, 2010 there were 132,113 accounts, half of which newly opened. *Freedom* assets amounted to €7.15 billion, of which €5.7 billion invested in *Mediolanum Plus* policies. About 66% of that balance was made up of new inflows from new or existing customers.

Spain

€/million	June 30, 2010	June 30, 2009	Change	Dec. 31, 2009
Assets under Management & Administration:	1,566.5	1,424.7	10%	1,583.0
<i>Assets under Management</i>	939.0	799.6		930.3
<i>Assets under Administration</i>	627.5	625.1		652.7
Gross Inflows:	138.0	58.0	138%	180.4
<i>Assets under Management</i>	140.0	100.3		247.6
<i>Assets under Administration</i>	(2.0)	(42.3)		(67.2)
Net Inflows:	27.6	(28.6)	n.s.	5.6
<i>Assets under Management</i>	29.6	13.7		72.8
<i>Assets under Administration</i>	(2.0)	(42.3)		(67.2)

Assets under Management and under Administration grew 10% over the same period of the prior year, while remaining essentially in line with the balance reported at the end of December 2009.

Gross inflows for the period jumped 138% over the same period of the prior year. Net inflows amounted to €27.6 million versus net outflows of €28.6 million at June 30, 2009. Specifically, net inflows into asset management products amounted to €29.6 million versus €13.7 million at June 30, 2009.

At June 30, 2010, the number of Fibanc customers was down 3% to 86,815 from 89,445 at June 30, 2009, while primary account holders were up 1% to 66,166 from 65,732 in the same period of the prior year.

Germany

€/million	June 30, 2010	June 30, 2009	Change	Dec. 31, 2009
Assets under Management & Administration:	296.0	241.4	23%	281.0
<i>Assets under Management</i>	275.6	230.2		268.4
<i>Assets under Administration</i>	20.4	11.2		12.6
Gross Inflows:	38.8	2.6	n.s.	28.6
Net Inflows:	9.7	(16.7)	n.s.	(16.1)
<i>Assets under Management</i>	0.9	(2.3)		(3.1)
<i>Assets under Administration</i>	8.8	(14.4)		(13.0)

Assets under Management and under Administration grew 23% over the same period of the prior year.

Net inflows for the period under review amounted to €9.7 million compared to net outflows of €16.7 million for the same period of the prior year. Specifically, net inflows into asset management products were €0.9 million compared to net outflows of €2.3 million at June 30, 2009.

At June 30, 2010 the number of customers was down 7% to 3,399 from 3,664 at June 30, 2009.

● The Sales Networks

Number	June 30, 2010	Dec. 31, 2009	June 30, 2009
Licensed financial advisors	4,849	4,945	4,967
Non-licensed advisors / agents (*)	190	358	528
BANCA MEDIOLANUM	5,039	5,303	5,495
SPAIN	465	454	432
GERMANY	41	43	33
Total	5,545	5,800	5,960

(*) Banca Mediolanum S.p.A. non-licensed advisors work also as financial agents under a mandate from Mediolanum Distribuzione Finanziaria S.p.A.

In the period under review the number of Banca Mediolanum licensed financial advisors was down 2% (96 people) and the number of non-licensed advisors/agents declined 47% (168 people). Since the new recruitment policy entails the hiring of licensed advisors only, the number of non-licensed advisors/agents will gradually go down to zero.

● Consolidated Income Statement (*)

€/million	June 30, 2010	June 30, 2009	Change	Change %
Net premiums written	4,988.6	3,921.0	1,067.6	27%
Amounts paid and change in reserves	(4,966.7)	(3,870.9)	(1,095.8)	28%
Net life insurance revenues (ex. commissions)	21.9	50.1	(28.2)	(56%)
Entry fees	62.7	30.9	31.8	103%
Management fees	177.2	125.3	51.9	41%
Performance fees	68.7	73.2	(4.5)	(6%)
Banking services fees	70.3	41.7	28.6	69%
Other fees	16.3	14.7	1.6	11%
Total commission income	395.1	285.9	109.2	38%
Net Interest Income	65.6	91.1	(25.5)	(28%)
Net income on investments at fair value	1.0	21.1	(20.1)	(95%)
Net financial income	66.6	112.2	(45.6)	(41%)
Equity method	3.4	(1.2)	4.6	n.s.
Realised gains (losses) on other investments	4.9	10.3	(5.4)	(52%)
Impairment of loans	(3.6)	(5.0)	1.4	(28%)
Impairment of other investments	(3.7)	-	(3.7)	n.s.
Net income (loss) on other investments	(2.4)	5.3	(7.7)	n.s.
Other revenues	10.6	10.2	0.4	4%
TOTAL REVENUES	495.2	462.5	32.7	7%
Commissions paid to the sales network	(163.9)	(124.9)	(39.0)	31%
Other commission expenses	(27.7)	(20.5)	(7.2)	35%
Administrative expenses	(179.6)	(175.7)	(3.9)	2%
Amortisation and depreciation	(9.5)	(8.8)	(0.7)	8%
Net provisions for risks	(6.5)	(2.0)	(4.5)	226%
TOTAL COSTS	(387.2)	(331.9)	(55.3)	17%
PROFIT BEFORE TAX	108.0	130.6	(22.6)	(17%)
Income tax	(23.3)	(22.9)	(0.4)	2%
Minority interests	-	-	-	-
NET PROFIT FOR THE PERIOD	84.6	107.7	(23.1)	(21%)

(*) This consolidated income statement presents financial information in a manner that reflects the management reporting approach of the Group and entails the reclassification of income and expense items before tax by nature and the recognition of financial income/expense on policyholders' assets/liabilities relating to contracts under which the investment risk is borne by the policyholder under 'Amounts paid and change in technical reserves'.

For the first six months of the year, **net premiums** written amounted to €4,988.6 million, rising 27% from €3,921.0 million in the same period of the prior year.

The increase in net premiums written was largely owed to the enormous success of the life policy associated with the Banca Mediolanum S.p.A. '*Freedom*' bank account that generated €4,178.4 million in new business (H1 2009: €2,644.1 million).

Total amounts paid and change in reserves increased 56% from €3,870.9 million at June 31, 2009 to €4,966.7 million, of which €3,112.6 million relating to the policies associated with the *Freedom* bank account (H1 2009: €443.7 million).

Net life insurance revenues before acquisition costs amounted to €21.9 million versus €50.1 million in the prior year owing to the different product structures and the discontinuation of index-linked policies.

For the first six months of the year **commission income** amounted to €395.1 million versus €285.9 million at June 30, 2009. The €109.2 million increase was largely due to greater management fees (€51.9 million) and entry fees (+€31.8 million) while performance fees were down €4.5 million.

Net financial income was down from €112.2 million in the first half of 2009 to €66.6 million at the end of the period under review reflecting the sharp interest rate declines and unrealised losses on the securities portfolio at June 30, 2010.

For the period under review the Group recorded a net loss on other investments of €2.4 million versus net income of €5.3 million at June 30, 2009. This was due to lower realised gains for the period (down €5.4 million) and impairment of available for sale financial assets, especially the investment in Generali (-€2.7 million).

Commissions paid out to the sales network increased 31% to €163.9 million from €124.9 million in the same period of the prior year. **Other commission expenses** were up 35% to €27.7 million from €20.5 million at the end of the first half 2009.

Other expenses (administrative expenses, amortisation, depreciation and provisions for risks) increased €9.1 million to €195.6 million from €186.5 million in the prior year. Specifically, in the period under review, the Group recorded greater provisions for risks and charges for a total amount of €6 million largely in connection with contractual obligations to the sales network and to cover any risks of financial advisors' misconduct.

Income tax for the period increased from €22.9 million at June 30, 2009 to €23.3 million at the end of first half of 2010 (tax rate 21%). For the period under review there was an about €4.3 million additional charge as the Group already accounted for the reduced deductibility (down to about 1.5%) of variations in life technical reserves introduced by Italian Government decree 78 of May 2010 – already ratified by Italy's Senate and due to be converted into law by July 30, 2010 after approval by Italy's House of Representatives

The analysis of income statement data by operating segment is set out below.

● Italy - Life

€/000	June 30, 2010	June 30, 2009	Change	Change %
Net premiums written	4,929,135	3,881,844	1,047,291	27%
Amounts paid & change in technical reserves	(4,914,356)	(3,837,007)	(1,077,349)	28%
Net life revenues (ex commission)	14,779	44,837	(30,058)	(67%)
Commission income	131,886	117,800	14,086	12%
Net interest income	6,638	11,302	(4,664)	(41%)
Net income on investments at fair value	1,511	10,277	(8,766)	(85%)
Net financial income	8,149	21,579	(13,430)	(62%)
Net income on other investments	4,174	4,915	(741)	(15%)
Other revenues	6,599	6,997	(398)	(6%)
TOTAL REVENUE	165,587	196,128	(30,541)	(16%)
Commissions paid out to the sales network	(49,964)	(60,155)	10,191	(17%)
Other commission expenses	(3,101)	(2,361)	(740)	31%
Administrative expenses	(51,317)	(46,118)	(5,199)	11%
Amortisation and depreciation	(2,145)	(1,789)	(356)	20%
Net provisions for risks	(2,168)	(1,855)	(313)	17%
TOTAL COSTS	(108,696)	(112,278)	3,582	(3%)
PROFIT BEFORE TAX	56,891	83,851	(26,960)	(32%)

In the 'Italy – Life' operating segment, profit before tax amounted to €56.9 million, down 32% over the same period of the prior year, as it was impacted by the discontinuation of index-linked policies and lower income from the policy associated with the *Freedom* bank account.

In fact, net life insurance revenues before acquisition costs totalled €14.8 million versus €44.8 million in the same period of the prior year.

Commission income for the period amounted to €131.9 million. The €14.1 million increase (12%) over the same period of the prior year was largely owed to greater management fees earned in the Life segment in the period (up 32%) partly offset by lower performance fees that stood at €36.5 million (down 18%).

Commissions paid out to the sales network declined €10.2 million to €50,0 million from €60.2 million in the first half of 2009.

Net financial income for the period amounted to €8.1 million versus €21.6 million in the same period of the prior year. The decline largely reflects greater net unrealised losses arising on the valuation of securities in portfolio for the period under review.

Other Expenses amounted to €55.6 million versus €49.8 million at June 30, 2009.

● Italy - Asset Management

€/000	June 30, 2010	June 30, 2009	Change	Change %
Entry fees	60,435	29,890	30,545	102%
Management fees	74,877	47,680	27,197	57%
Performance fees	30,029	27,344	2,685	10%
Other fees	11,553	9,995	1,558	16%
Commission income	176,894	114,909	61,985	54%
Net interest income	574	543	31	6%
Net income (loss) on investments at fair value	(15)	(7)	(8)	114%
Net financial income	559	536	23	4%
Net income (loss) on other investments	(104)	-	(104)	n.s.
Other revenues	72	98	(26)	(27%)
TOTAL REVENUES	177,421	115,542	61,879	54%
Commissions paid out to the sales network	(82,023)	(41,865)	(40,158)	96%
Other commission expenses	(3,756)	(2,681)	(1,075)	40%
Administrative expenses	(40,740)	(35,688)	(5,052)	14%
Amortisation and depreciation	(1,714)	(1,383)	(331)	24%
Net provisions for risks	(3,500)	(1,221)	(2,279)	187%
TOTAL COSTS	(131,733)	(82,838)	(48,895)	59%
PROFIT BEFORE TAX	45,688	32,704	12,984	40%

In the 'Italy – Asset Management' segment, profit before tax amounted to €45.7 million growing 40% over the same period of the prior year.

Commission income was up €62 million to €176.9 million from €114.9 million in the same period of the prior year. In the period under review, commission income benefitted in particular from growth in performance fees (up 57%) and entry fees (up 102%).

Costs totalled €131.7 million versus €82.8 million in the same period of the prior year. In particular, commissions paid out to the sales network increased €40.1 million largely in connection with greater entry fees generated in the period under review. The ratio of commission expenses to commission income (ex performance fees) increased to 58% from 51% in the same period of the prior year.

● Italy - Banking

€/000	June 30, 2010	June 30, 2009	Change	Change %
Banking services fees	51,568	29,823	21,745	73%
Other fees	3,473	2,435	1,038	43%
Commission income	55,041	32,258	22,783	71%
Net interest income	55,636	76,984	(21,348)	(28%)
Net income (loss) on investments at fair value	108	10,841	(10,733)	(99%)
Net financial income	55,744	87,825	(32,081)	(37%)
Net income (loss) on other investments	(3,325)	(2,448)	(877)	36%
Other revenues	3,734	2,666	1,068	40%
TOTAL REVENUES	111,194	120,302	(9,108)	(8%)
Commissions paid out to the sales network	(22,253)	(15,333)	(6,920)	45%
Other commission expenses	(6,017)	(6,148)	131	(2%)
Administrative expenses	(67,949)	(73,202)	5,253	(7%)
Amortisation, depreciation and provisions	(4,368)	(4,343)	(25)	1%
Net provisions for risks	(986)	(324)	(662)	204%
TOTAL COSTS	(101,572)	(99,351)	(2,221)	2%
PROFIT BEFORE TAX	9,622	20,951	(11,329)	(54%)

In the 'Italy – Banking' segment profit before tax amounted to €9.6 million down 54% over the same period of the prior year.

For the period under review, net financial income amounted to €55.7 million. The €32.1 million (37%) decline from €87.8 million at June 30, 2009, largely reflects interest rate cuts.

Commission income amounted to €55.0 million growing 71% especially thanks to commissions earned on the placement of structured bonds issued by third parties (€22 million).

Commissions paid out to the sales network increased 45% to €22.3 million. Other commission expenses remained essentially in line with the prior year's balance.

Other expenses declined €4.6 million (5.9%) from €77.9 million to €73.3 million.

Italy - Other

€/000	June 30, 2010	June 30, 2009	Change	Change %
Net interest income	(8)	(2,307)	2,299	(100%)
Net income (loss) on investments at fair value	-	18	(18)	(100%)
Net financial income	(8)	(2,289)	2,281	(100%)
Equity method	3,411	(1,217)	4,628	(380%)
Net income (loss) on other investments	(3,721)	2,407	(6,128)	(255%)
Other revenues	336	655	(319)	(49%)
TOTAL REVENUES	18	(444)	(462)	(104%)
Commissions paid out to the sales network	-	-	-	n.s.
Other commission expenses	-	(28)	28	(100%)
Administrative expenses	(901)	(1,046)	145	(14%)
Amortisation and depreciation	(28)	(61)	33	(54%)
Net provisions for risks	-	(73)	73	(100%)
TOTAL COSTS	(929)	(1,208)	279	(23%)
PROFIT (LOSS) BEFORE TAX	(911)	(1,652)	741	(45%)

Net financial income in this segment showed a negative balance of only €8 thousand versus a negative balance of €2.3 million in the same period of the prior year, benefitting from the marked decline in interest rates.

'Equity method' relates to the share of profits in Mediobanca for the first quarter that amounted to €2.6 million thousand (June 30, 2009: -€2.1 million), and in Banca Esperia, for the full six months of the year, amounting to €0.8 million (H1 2009: €0.9 million).

Spain

€/000	June 30, 2010	June 30, 2009	Change	Change %
Net premiums written	48,469	33,009	15,460	47%
Amounts paid & change in technical reserves	(42,246)	(28,576)	(13,670)	48%
Net life revenues (ex commission)	6,223	4,433	1,790	40%
Commission income	12,046	9,455	2,591	27%
Net Interest Income	2,530	4,199	(1,669)	(40%)
Net income (loss) on investments at fair value	(313)	(50)	(263)	526%
Net financial income	2,217	4,149	(1,932)	(47%)
Net income (loss) on other investments	567	344	223	65%
Other revenues	272	228	44	19%
TOTAL REVENUES	21,325	18,609	2,716	15%
Commissions paid out to the sales network	(7,763)	(6,108)	(1,655)	27%
Other commission expenses	(1,068)	(719)	(349)	49%
Administrative expenses	(13,281)	(14,519)	1,238	(9%)
Amortisation, depreciation and provisions	(793)	(715)	(78)	11%
Net provisions for risks	113	1,467	(1,354)	(92%)
TOTAL COSTS	(22,792)	(20,594)	(2,198)	11%
PROFIT (LOSS) BEFORE TAX	(1,467)	(1,985)	518	(26%)

The 'Spain' segment recorded a pre-tax loss of €1.5 million improving by €0.5 million over the same period of the prior year, in spite of the decline in **net financial income** in connection with low interest rate levels.

Net life insurance revenues before acquisition costs amounted to €6.2 million up €1.8 million from €4.4 million in the same period of the prior year.

Commission income grew 27% from €9.5 million to €12.0 million at the end of the period under review. **Commissions paid out to the sales network** amounted to €7.7 million versus €6.1 million at June 30, 2009 (+27%).

Other expenses stood at €14 million essentially in line with the €13.8 million balance reported for the same period of the prior year.

● Germany

€/000	June 30, 2010	June 30, 2009	Change	Change %
Net premiums written	10,959	6,154	4,805	78%
Amounts paid & change in technical reserves	(10,100)	(5,315)	(4,785)	90%
Net life revenues (ex commission)	859	839	20	2%
Commission income	19,574	11,925	7,649	64%
Net Interest Income	212	426	(214)	(50%)
Net income (loss) on investments at fair value	(273)	(27)	(246)	911%
Net financial income	(61)	399	(460)	(115%)
Net income (loss) on other investments	(1)	53	(54)	(102%)
Other revenues	84	86	(2)	(2%)
TOTAL REVENUES	20,455	13,302	7,153	54%
Commissions paid out to the sales network	(1,958)	(1,551)	(407)	26%
Other commission expenses	(13,730)	(8,531)	(5,199)	61%
Administrative expenses	(6,135)	(5,944)	(191)	3%
Amortisation and depreciation	(479)	(559)	80	(14%)
Net provisions for risks	-	2	(2)	-
TOTAL COSTS	(22,302)	(16,583)	(5,719)	34%
PROFIT (LOSS) BEFORE TAX	(1,847)	(3,281)	1,434	(44%)

The 'Germany' segment recorded a pre-tax loss of €1.8 million improving by €1.4 million (44%) over the same period of the prior year.

Commission income increased €7.6 million (64%) from €11.9 million at June 30, 2009 to €19.6 million at the end of the period under review, mainly due to greater commissions in connection with ATM business growth.

Commissions paid out to the sales network were up 26% to €2.0 million, and **other commission expenses** increased €5.2 million in connection with ATM business growth.

● Key corporate events and performance of companies within the Group

In May, the parent company Mediolanum S.p.A. issued the second tranche (€30 million) of the €120 million indefinite maturity subordinated loan granted to the subsidiary Mediolanum Vita S.p.A. Readers are reminded that the first tranche, amounting to €90 million, had been issued at the end of the prior year. The purpose of the loan is to provide the funds needed by the subsidiary to satisfy the higher regulatory capital requirements due to the significant increase in technical reserves following the enormous success of the Mediolanum Plus policy.

In June, the parent company Mediolanum S.p.A. paid in €1.5 million to the subsidiary Mediolanum Comunicazione S.p.A. for the purpose of covering the losses arising on the reorganisation of this company.

○ The Parent Company

At June 30, 2010, the Parent Company Mediolanum S.p.A. reported net profit of €52.5 million versus €35.4 million at June 30, 2009.

Dividends for the period amounted to €63.1 million versus €40.9 million in the same period of 2009.

Key information on the performance of the main companies that are part of the Mediolanum Group during the period under review is set out below.

○ Life Insurance Companies

Mediolanum Vita S.p.A. – For the first half of 2010, this company reported net profit of €4.5 million, down from €19.7 million at June 30, 2008, largely due to unrealised losses on the valuation of securities holdings at the end of the period under review.

For the first half of 2010, the company reported premiums written of €4,822.4 million versus €3,340.0 million in the prior year (up 44.4%).

New business increased from €2,750.2 million in the first half of 2009 to €4,243.1 million at the end of the period under review. The €1,492.9 million (54%) growth in new business was again due to the exceptional success of the *Mediolanum Plus* policy associated with the Banca Mediolanum *Freedom* bank account (€1,534.3 million) while for other products, new business was down €41.4 million.

In-force business premiums stood at €581.2 million, in line with the balance of €592 million reported in the same period of the prior year.

At June 30, 2010, mathematical reserves and financial liabilities to policyholders amounted to €16,838.5 million, up 6.1% from €15,869.2 million at year end 2009.

Mediolanum International Life Ltd. – For the first half of 2010, the Irish company reported net profit of €3.8 million versus €18.8 million in the prior year.

For the period under review, the company reported premiums written of €167.1 million versus €581.4 million at June 30, 2009. The decline was in connection with the discontinued sales of index-linked policies in the Italian market.

At June 30, 2010, mathematical reserves and financial liabilities to policyholders amounted to €3,953.2 million down from €4,204.6 million at December 31, 2009.

Mediolanum International Life Ltd policies are distributed in Italy by Banca Mediolanum, in Spain by Fibanc and in Germany through Bankhaus August Lenz.

○ Asset Management Companies

Mediolanum International Funds Ltd – At June 30, 2010, the company reported net profit of €108.1 million, up €10.5 million from €97.6 million at June 30, 2009, largely benefitting from growth in net commissions for the period (+€12.0 million).

In the period under review net inflows amounted to €1,040.7 million versus €565.3 million at June 30, 2009.

At June 30, 2010, total assets under management amounted to €15,706 million up 8.6% from €14,461 million at December 31, 2009.

Mediolanum Gestione Fondi SGR p.A. – At June 30, 2010, the company reported net profit of €6.9 million, up €4.5 million from €2.4 million at the end of the first half of the prior year.

For the first six months of 2010 net inflows amounted to €206.4 million versus €173.1 million in the same period of the prior year.

At June 30, 2010, assets under management increased to €2,509.5 million from €2,343.4 million at December 31, 2009. Assets managed on mandates from fellow subsidiaries amounted to €17,239.1 million versus €16,132.3 million at December 31, 2009.

Gamax Management A.G. – For the first half of 2010, the Luxembourg-based company reported net profit of €2.5 million versus €4.2 million in the same period of the prior year.

At the end of the first half of 2010, total assets under management (retail and institutional segments) amounted to €432 million versus €463 million at December 31, 2009.

For the period under review, in the retail segment, the company recorded net inflows of €4.0 million versus net outflows of €6.0 million at June 30, 2009.

○ Banking operations (including Group product distribution)

Banca Mediolanum S.p.A. – For the first half of 2010, the bank reported net profit of €14.9 million versus €8.4 million for the first half of the prior year.

Net commission income grew €24.9 million from €28.5 million at June 30, 2009 to €53.4 million at the end of the period under review, especially on asset management products as a result of strong inflows and increased value of assets under management, as well as on the placement of third-party structured bonds.

Net financial income stood at €55.6 million, down €33.7 million over the same period of the prior year due to the lower interest rate levels and unrealised losses on the valuation of securities at the end of the period under review amounting to €13.3 million.

Dividends for the period grew €31.6 million owing to the extraordinary dividend distributed by the subsidiary Gamax Management AG (€16.5 million) as well as greater dividends from the subsidiary Mediolanum International Funds Ltd compared to the same period of the prior year (+€13.3 million).

Direct funding from customers grew €704 million from €6,058 million at year end 2009 to €6,762 million at June 30, 2010.

The balance on retail customers' securities accounts grew 28% from €1,546 million at year end 2009 to €1,978 million at the end of the period under review (H1 2009: €1,544 million).

Lending to customers, excluding securities lending, grew €154 million to €3,220 million at June 30, 2010 from €3,066 million at December 31, 2009. In the first half of 2010 residential mortgage loans and repurchase agree-

ments increased by €144 million and €51 million, respectively, while hot money transactions with institutional counterparties were down €36 million.

At June 30, 2010, there were 580,139 bank accounts versus €572,831 at June 30, 2009.

Banco de Finanzas e Inversiones S.A./ Fibanc (Banco Mediolanum) – At June 30, 2010 the Spanish bank recorded net inflows of €27.6 million versus net outflows of €28.6 million in the same period of the prior year.

At June 30, 2010, assets under management and administration amounted to €1,566 million versus €1,583 million at December 31, 2009.

At the end of the period under review, the sales network consisted of 465 people (454 at year end 2009), of whom 420 tied advisors (407 at year end 2009).

For the first six months of 2010, the entity reported net loss of €1.1 million yet improving by €1.8 million compared to the net loss of €2.9 million at June 30, 2009.

Bankhaus August Lenz & Co. – At June 30, 2010, the German bank reported net loss of €2.6 million, improving by €1.5 million compared to the net loss of €4.1 million reported for the same period of the prior year.

In the period under review, this bank recorded net inflows of €13.6 million versus net outflows of €10.7 million in the same period of the prior year. At June 30, 2010, assets under administration amounted to €85.4 million versus €61.4 million at the end of the first half of 2009 (€75 million at December 31, 2009).

At the end of the period under review, the sales force consisted of 41 people (H1 2009: 33 people; FY 2009: 43 people).

○ Associates and joint ventures

For the first half of 2010 the **Banca Esperia** Group reported consolidated net profit of €1.2 million versus €1.6 million at June 30, 2009.

For the period under review the Group reported net inflows of €791 million versus €305 million in the same period of the prior year.

At the end of the period under review, total assets under management and administration amounted to €12,032 million versus €8,580 million at June 30, 2009 and €11,183 million at December 31, 2009.

At June 30, 2010, there were 62 private bankers versus 50 in H1 2009.

As to **Mediobanca S.p.A.**, the Board of Directors meeting for the approval of the annual financial statements at June 30, 2010 is scheduled next September 21.

The measurement of the value of Mediobanca's share of equity as of June 30, 2010 to be included in the Mediolanum Group consolidated accounts will take place upon the close of the Mediolanum quarterly accounts at September 30, 2010.

At March 31, 2010, for the first nine months of its financial year, Mediobanca S.p.A. reported net profit of €354.4 million versus net profit of €39.3 million for the same period of the prior year. It should be noted that for the third quarter (January through March) this entity reported net profit of €84.3 million versus net loss of €61 million in the same quarter of the prior year.

The improvement recorded in the current year reflects greater revenues from banking (€160 million), the greater contribution (€162.9 million) of equity investments as well as more contained declines in the value of securities in portfolio (€253.4 million) against increased overheads (€72.3 million) and declines in the value of loans in portfolio (€62.8 million).

At March 31, 2010, consolidated shareholders' equity after minority interests and net profit for the year amounted to €6,357.4 million, up €155.9 million from €6,201.5 million at December 31, 2009.

The impact of entities accounted for by the equity method on the Mediolanum Group's income statement was a positive balance of €3.4 million versus a negative balance of €1.2 million in the first half of 2009.

● Intercompany and related party transactions

There were no atypical or unusual transactions as related party transactions, including intercompany transactions, were part of the Group's ordinary business. Said transactions were made at arm's length in consideration of the features of goods and services provided.

Information on related party transactions is set out in the Notes to the condensed consolidated financial statements for the six month period ended June 30, 2010

● Post Balance Sheet Date Events

On July 8, 2010, after consulting with the Compensation Committee, by virtue of the authorities delegated to it by the Ordinary and Extraordinary General Meetings of April 27, 2010, the Board of Directors of Mediolanum S.p.A. resolved to:

- approve the Rules for the Stock Options Plan reserved to the Directors and Executives of the company and the Group ('Top Management Plan 2010') and the Rules for the Stock Options Plan for the Sales Network of the company and the Group ('Sales Network Plan 2010');
- increase the Company's share capital up to €160,000.00, for a consideration, by issuing up to 1,600,000 shares for the allotment of stock options under the Top Management Plan 2010;
- increase the Company's share capital up to €131,744.20, for a consideration, by issuing up to 1,317,442 shares for the allotment of stock options under the Sales Network Plan 2010;
- grant the beneficiaries – 19 under the Top Management Plan and 193 under the Sales Network Plan – part of the stock options under the Plans.

After June 30, 2010 there was no other event which could have a significant impact on the financial position, result of operations and cash flows of the Mediolanum Group.

● Main risks and uncertainties

Readers can find information about the risks and uncertainties to which the Mediolanum Group is exposed in this Report and in the Notes.

Specifically, information about the risks related to the performance of the world's economies and financial markets is set out in this Report, under '*Macroeconomic Environment*' and '*Outlook*'.

● Outlook

The policy responses given in 2009 by the world's main governments and central bankers produced a significant reversal of the economic cycle putting an end to a deep prolonged recession.

Subdued inflation, high public debt and subsequent austerity measures should warrant the continuation of the current monetary easing by the world's main central banks.

The economic recovery that is going to follow the current phase of stabilisation risks to be slowed down in the medium term by production overcapacity, sluggish consumer spending and the austerity measures that governments have to take to restore public finances to good health in those countries that have been less disciplined in their fiscal policies in the past. Macroeconomic data suggest that in coming quarters the sustainability of the current improvement in the economy and its positive implications on financial markets will be conditional upon a pickup in consumer spending and the concurrent improvement of employment data.

Global growth will be secured by buoyant emerging economies still fuelling significant demand for investments, goods and services.

In the light of the foregoing and of the positive results recorded in the recently ended period in terms of both net inflows and earnings, the outlook for the second part of the year is positive for our Group.

Basiglio, July 27, 2010

For the Board of Directors
The Chairman
(Roberto Ruozi)



**Condensed
Consolidated
Accounts**

Balance Sheet

Assets

	June 30, 2010	Dec. 31, 2009
€'000		
1 Intangible assets		
1.1 Goodwill	157,264	157,264
1.2 Other intangible assets	13,004	14,649
Total intangible assets	170,268	171,913
2 Tangible assets		
2.1 Property	61,540	62,259
2.2 Other tangible assets	19,095	21,704
Total tangible assets	80,635	83,963
3 Reinsurers' share of technical reserves	98,298	100,277
4 Investments		
4.1 Investment property	91,202	90,518
4.2 Investments in subsidiaries, associates and jvs	440,438	432,684
4.3 Held to maturity investments	1,582,774	1,581,409
4.4 Loans and receivables	5,397,380	4,847,829
4.5 Available for sale financial assets	4,229,172	2,956,206
4.6 Financial assets at fair value through profit or loss	17,945,613	17,798,081
Total investments	29,686,579	27,706,727
5 Receivables		
5.1 Arising out of direct insurance business	7,889	8,340
5.2 Arising out of reinsurance business	-	-
5.3 Other receivables	1,494	1,273
Total receivables	9,383	9,613
6 Other assets		
6.1 Non current assets or assets of disposal groups, held for sale	1,471	1,521
6.2 Deferred acquisition costs	-	-
6.3 Deferred tax assets	117,956	99,196
6.4 Current tax assets	203,019	210,970
6.5 Other assets	295,993	293,611
Total other assets	618,439	605,298
7 Cash and cash equivalents	404,647	213,764
TOTAL ASSETS	31,068,249	28,891,555

Liabilities

€/000	June 30, 2010	Dec. 31, 2009
1 Shareholders' Equity		
1.1 Group		
1.1.1 Share capital	73,142	73,140
1.1.2 Other equity instruments	-	-
1.1.3 Capital reserves	54,383	53,477
1.1.4 Retained earnings and other equity reserves	789,342	618,584
1.1.5 Treasury shares (-)	(2,045)	(2,045)
1.1.6 Exchange difference reserves	-	-
1.1.7 Gains or losses on available for sale financial assets	(30,922)	8,931
1.1.8 Other gains or losses recognised directly in equity	27,462	23,051
1.1.9 Net profit (loss) attributable to the group	84,648	217,280
Total capital and reserves attributable to the group	996,010	992,418
1.2 Minority interests		
1.2.1 Capital and reserves attributable to minority interests	-	-
1.2.2 Gains and losses recognised directly in equity	-	-
1.2.3 Net profit (loss) attributable to minority interests	-	-
Total capital and reserves attributable to minority interests	-	-
Total shareholders' equity	996,010	992,418
2 Provisions	121,174	109,869
3 Technical reserves	20,724,087	20,002,983
4 Financial liabilities		
4.1 Financial liabilities at fair value through profit or loss	704,143	367,748
4.2 Other financial liabilities	7,937,756	6,941,286
Total financial liabilities	8,641,899	7,309,034
5 Payables		
5.1 Arising out of direct insurance business	29,804	9,440
5.2 Arising out of reinsurance business	1,283	1,697
5.3 Other payables	211,963	244,633
Total payables	243,050	255,770
6 Other liabilities		
6.1 Liabilities of disposal groups held for sale	732	732
6.2 Deferred tax liabilities	49,607	49,893
6.3 Current tax liabilities	13,712	34,820
6.4 Other liabilities	277,978	136,036
Total other liabilities	342,029	221,481
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	31,068,249	28,891,555

Income Statement

€/'000	June 30, 2010	June 30, 2009
1 Revenues		
1.1 Net premiums written		
1.1.1 Gross premiums written	4,990,596	3,923,234
1.1.2 Reinsurance premiums	(2,033)	(2,227)
Net premiums written	4,988,563	3,921,007
1.2 Commission income	394,667	285,483
1.3 Net income on financial instruments at fair value through p/l	212,290	898,171
1.4 Income on investments in subsidiaries, associates and jvs	3,411	899
1.5 Income on other financial instruments and investment property		
1.5.1 Interest income	132,659	153,880
1.5.2 Other income	5,476	3,080
1.5.3 Realised gains	16,445	11,344
1.5.4 Unrealised gains	6,087	4,379
Income on other financial instruments & investment property	160,667	172,683
1.6 Other revenues	10,685	12,196
Total revenues	5,770,283	5,290,439
2 Costs		
2.1 Net claims and benefits		
2.1.1 Amounts paid and change in technical reserves	(5,226,467)	(4,760,599)
2.1.2 Reinsurers' share	2,551	2,944
Net claims and benefits	(5,223,916)	(4,757,655)
2.2 Commission expenses	(144,514)	(96,809)
2.3 Loss on investments in subsidiaries, associates and jvs		(2,116)
2.4 Loss on other financial instruments and investment property		
2.4.1 Interest expense	(32,503)	(55,570)
2.4.2 Other expenses	(168)	(227)
2.4.3 Realised losses	(4,455)	(2,970)
2.4.4 Unrealised losses	(13,978)	(9,742)
Loss on other financial instruments and investment property	(51,104)	(68,509)
2.5 Operating expenses		
2.5.1 Agents' commissions and other acquisition costs	(40,321)	(43,826)
2.5.2 Investment management expenses	(69)	(217)
2.5.3 Other administrative expenses	(165,795)	(161,664)
Total operating expenses	(206,185)	(205,707)
2.6 Other costs	(36,537)	(28,970)
Total costs	(5,662,256)	(5,159,766)
Profit (loss) before tax	108,027	130,673
3 Income tax	(23,329)	(22,899)
Net profit (loss) for the period	84,698	107,774
4 Profit (loss) from discontinued operations	(50)	(85)
Consolidated net profit (loss)	84,648	107,689
Earnings per share (in euro)	0.116	0.147

Statement of Comprehensive Income

€/000	June 30, 2010	June 30, 2009
CONSOLIDATED NET PROFIT (LOSS)	84,648	107,689
Changes in exchange difference reserve	-	-
Profit (loss) on available for sale financial assets	(39,853)	13,746
Profit (loss) on cash flow hedges	-	-
Profit (loss) on hedges of investments in foreign operations	-	-
Changes in the equity of investees	4,411	(5,255)
Changes in intangible assets revaluation reserve	-	-
Changes in tangible assets revaluation reserve	-	-
Gains (losses) on non-current assets or disposal groups held for sale	-	-
Actuarial gains (losses) and adjustments on defined benefit plans	-	-
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME	(35,442)	8,491
TOTAL CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD	49,206	116,180
of which attributable to the Group	49,206	116,180

Statement of changes in shareholders' equity

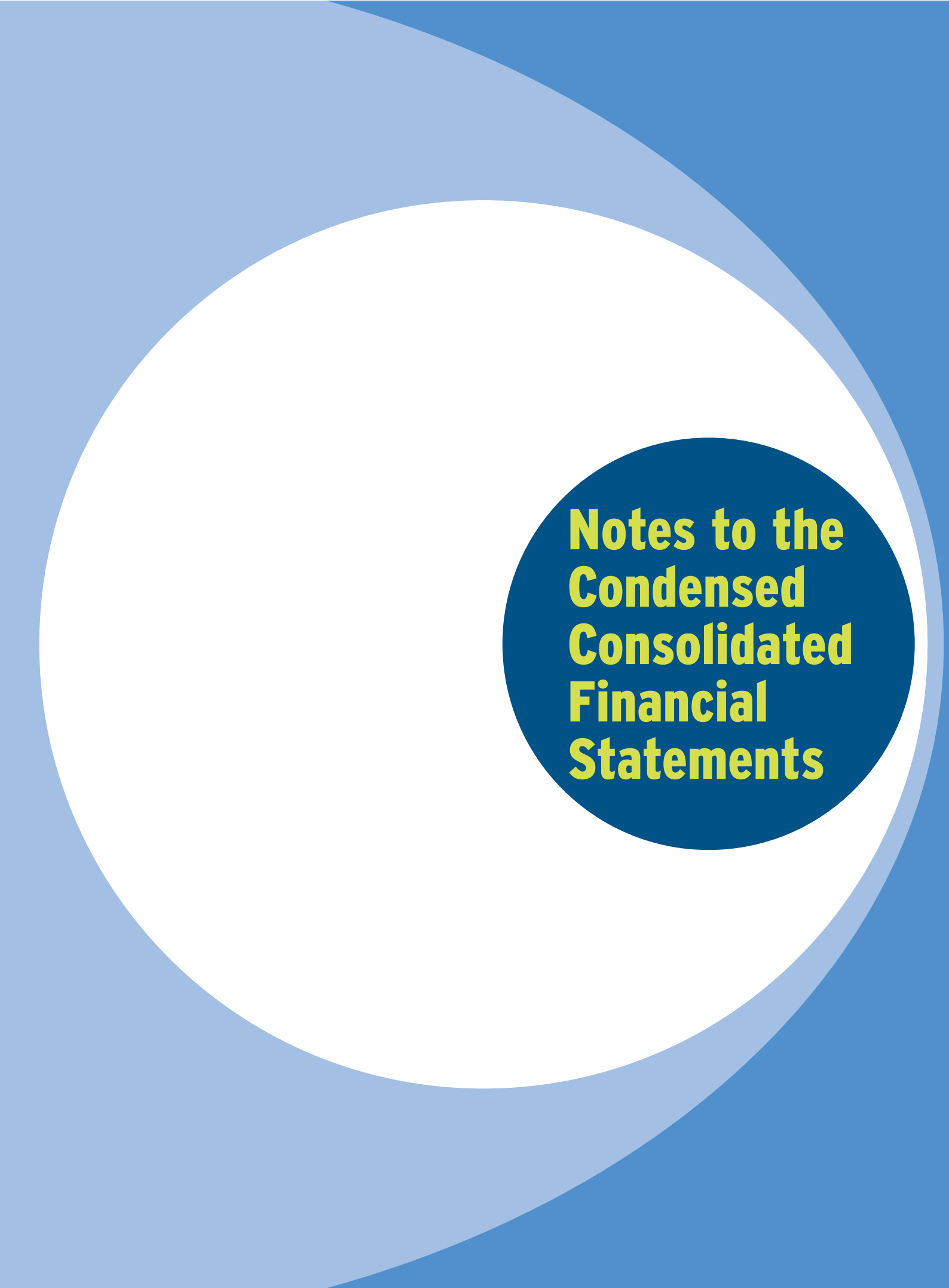
€/000	Balance at Dec. 31, 2008	Adjustment to closing balance	Amount credited	Transferred to the Income Statement	Other movements	Balance at June 30, 2009
Shareholders' equity attributable to the Group						
Share capital	73,010	-	81	-	-	73,091
Other equity instruments	-	-	-	-	-	-
Capital reserves	51,960	-	941	-	-	52,901
Retained earnings and other equity reserves	700,433	-	23,592	-	(47,430)	676,595
(Treasury shares)	(2,045)	-	-	-	-	(2,045)
Exchange difference reserve	-	-	-	-	-	-
Net profit (loss) for the period	23,675	-	84,014	-	-	107,689
Other components of comprehensive income	(33,516)	-	8,935	(444)	-	(25,025)
Total shareholders' equity attributable to the Group	813,517	-	117,563	(444)	(47,430)	883,206
Shareholders' equity attributable to minority interests						
Share capital and reserves	-	-	-	-	-	-
Gains (losses) recognised directly in equity	-	-	-	-	-	-
Net profit (loss) for the period	-	-	-	-	-	-
Total shareholders' equity attributable to minority interests	-	-	-	-	-	-
TOTAL	813,517	-	117,563	(444)	(47,430)	883,206

€/000	Balance at Dec. 31, 2009	Adjustment to closing balance	Amount credited	Transferred to the Income Statement	Other movements	Balance at June 30, 2010
Shareholders' equity attributable to the Group						
Share capital	73,140	-	2	-	-	73,142
Other equity instruments	-	-	-	-	-	-
Capital reserves	53,477	-	906	-	-	54,383
Retained earnings and other equity reserves	618,584	-	218,274	-	(47,516)	789,342
(Treasury shares)	(2,045)	-	-	-	-	(2,045)
Exchange difference reserve	-	-	-	-	-	-
Net profit (loss) for the period	217,280	-	(132,632)	-	-	84,648
Other components of comprehensive income	31,982	-	(32,238)	(3,204)	-	(3,460)
Total shareholders' equity attributable to the Group	992,418	-	54,312	(3,204)	(47,516)	996,010
Shareholders' equity attributable to minority interests						
Share capital and reserves	-	-	-	-	-	-
Gains (losses) recognised directly in equity	-	-	-	-	-	-
Net profit (loss) for the period	-	-	-	-	-	-
Total shareholders' equity attributable to minority interests	-	-	-	-	-	-
TOTAL	992,418	-	54,312	(3,204)	(47,516)	996,010

Cash flow statement

Indirect Method

€/'000	June 30, 2010	June 30, 2009
Profit (loss) before tax	108,027	130,673
Changes in non-monetary items	822,139	4,303,250
Change in unearned premiums reserve (general business)	-	-
Change in outstanding claims reserve and other technical reserves (general business)	-	-
Change in mathematical reserves and other technical reserves (Life Business)	723,083	3,530,895
Change in deferred acquisition costs	-	-
Change in provisions	11,305	5,184
Non monetary income (losses) on financial instruments, investment property and equity investments	87,751	767,171
Other changes	-	-
Changes in receivables and payables arising out of operating activities	109,023	(90,453)
Changes in receivables and payables arising out of direct insurance and reinsurance operations	20,401	1,678
Changes in other receivables and payables	88,622	(92,131)
Income tax paid	(37,485)	(24,014)
Net cash from monetary items relating to investment and financial activities	800,357	(703,062)
Liabilities on financial contracts issued by insurance companies	336,395	(354,056)
Amounts due to banks and banking customers	996,470	(816,237)
Loans to and receivables from banks and banking customers	(520,033)	491,299
Other financial instruments at fair value through profit or loss	(12,475)	(24,068)
NET CASH FROM OPERATING ACTIVITIES	1,802,061	3,616,394
Net cash from investment property	(684)	(83,532)
Net cash from investments in subsidiaries, associates and joint ventures	(7,754)	5,233
Net cash from loans and receivables	(29,518)	(3,752)
Net cash from held to maturity investments	(1,365)	(236,969)
Net cash from available for sale financial assets	(1,272,966)	(610,242)
Net cash from tangible and intangible assets	4,973	1,511
Other net cash from investment activities	(222,808)	(2,602,127)
NET CASH FROM INVESTMENT ACTIVITIES	(1,530,122)	(3,529,877)
Net cash from equity instruments attributable to the Group	(33,540)	9,430
Net cash from treasury shares	-	-
Distribution of dividends attributable to the Group	(47,516)	(47,430)
Net cash from capital and reserves attributable to minority interests	-	-
Net cash from subordinated liabilities and quasi-equity instruments	-	-
Net cash from miscellaneous financial liabilities	-	-
NET CASH FROM FINANCING ACTIVITIES	(81,056)	(38,000)
Effect of exchange rate differences on cash and cash equivalents	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	213,764	185,865
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	190,883	48,516
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	404,647	234,381



**Notes to the
Condensed
Consolidated
Financial
Statements**

Notes to the Condensed Consolidated Financial Statements

ACCOUNTING POLICIES

● General

The Mediolanum Group's half-year financial report at June 30, 2010 was prepared in compliance with section 154-ter of Legislative Decree 58 of February 24, 1998 (Consolidated Finance Act) as amended by Legislative Decree 195 of November 6, 2007 (Transparency), and with the regulations for the implementation of section 9 of Legislative Decree 38/2005. In particular, balance sheet and income statement information was prepared in accordance with IAS 34 (Interim Financial Reporting).

This half-year financial report includes the accounts and the notes required by ISVAP regulation No. 7 of July 13, 2007 as amended by ISVAP Rule 2784 of March 8, 2010.

The accounts required by regulatory authorities as minimum disclosure in the explanatory notes are set out in the schedules attached hereto.

● General principles

Mediolanum Group's half-year financial report at June 30, 2010 includes the complete set of consolidated financial statements made up of:

- a **balance sheet** for the relevant interim period (six months ended June 30, 2010) as well as a comparative balance sheet for the prior financial year (ended December 31, 2009);
- an **income statement** for the relevant interim period (first half of 2010) and a comparative income statement for the same interim period of the prior year (first half of 2009);
- a **statement of comprehensive income** for the relevant interim period (first half of 2010) and a comparative statement of comprehensive income for the same interim period of the prior year (first half of 2009);
- a **statement of changes in shareholders' equity** for the period ranging from the beginning of the financial year to the end of the relevant interim period as well as a comparative statement of changes in shareholders' equity for the same period of the prior year;
- a **cash flow statement** for the period ranging from the beginning of the financial year and the end of the relevant interim period as well as a comparative cash flow statement for the same period of the prior year;
- **notes** comprising a summary of significant accounting policies and other explanatory notes.

In the interest of timeliness IAS 34 allows an entity to provide less information at interim dates compared with its annual financial statements ("condensed set of financial statements"), which is intended to provide an update on the latest complete set of annual financial statements. Therefore this condensed set of financial statements is to be read in conjunction with the Group's Annual Report and Accounts for the year ended December 31, 2009.

● Accounting standards

The balance sheet and income statement for the six months ended June 30, 2010 were prepared applying the international accounting and financial reporting standards (IAS/IFRS) in force as of that date that are the same as those applied in the preparation of the consolidated financial statements for the year ended December, 2009.

For a detailed presentation of the accounting policies applied in the preparation of these consolidated financial statements, readers are referred to part B '*Notes to the consolidated annual financial statements*' in the annual report and accounts 2009.

For the measurement of certain items reasonable estimates were made to ensure the consistent application of accounting policies. Said estimates do not compromise the reliability of interim financial reporting.

Where necessary, for the sake of consistency of financial information, certain reclassifications were made with respect to prior periods' comparative information (at June 30, 2009 and December 31, 2009).

In accordance with art. 5 of Legislative Decree No. 38 of February 28, 2005 the interim report and consolidated accounts at June 30, 2010 were prepared using the euro as reporting currency. Except where otherwise stated the amounts set out herein are presented in thousands of euro.

● Scope of consolidation

The consolidated interim financial statements include the accounts of Mediolanum S.p.A. and those of its directly or indirectly controlled subsidiaries.

Group companies directly owned by Mediolanum S.p.A. consolidated on a line-by-line basis are set out in the table below.

€/'000 Company	Share capital	% holding	Registered Office	Business
Mediolanum Vita S.p.A.	87,720	100.000%	Basiglio	Life insurance
Partner Time S.p.A. (in liquidation)	520	100.000%	Basiglio	Life insurance distribution
Mediolanum Comunicazione S.p.A.	775	100.000%	Basiglio	Audio/film/TV production
PI Distribuzione S.p.A.	517	100.000%	Basiglio	Real estate brokerage
Mediolanum International Life Ltd	1,395	100.000%	Dublin	Life insurance
Banca Mediolanum S.p.A.	450,000	100.000%	Basiglio	Banking
Mediolanum Gestione Fondi SGR p.A.	5,165	49.000%	Basiglio	Fund management
Mediolanum International Funds Ltd	150	44.000%	Dublin	Fund management
Mediolanum Asset Management Ltd	150	49.000%	Dublin	Asset Management and advice
Gamax Management AG	7,161	0.004%	Luxembourg	Fund management

Group companies indirectly owned by Mediolanum S.p.A. through Banca Mediolanum S.p.A. consolidated on a line-by-line basis are set out in the table below.

€/000 Company	Share capital	% holding	Registered Office	Business
Mediolanum Distribuzione Finanziaria S.p.A.	1,000	100.000%	Basiglio	Financial Brokerage
Mediolanum Gestione Fondi SGR p.A.	5,165	51.000%	Basiglio	Fund management
Mediolanum International Funds Ltd	150	51.000%	Dublin	Fund management
Mediolanum Asset Management Ltd	150	51.000%	Dublin	Asset Management and advice
Gamax Management AG	7,161	99.996%	Luxembourg	Fund management
Banco de Finanzas e Inversiones S.A.	86,032	100.000%	Barcelona	Banking
Bankhaus August Lenz & Co. AG	20,000	100.000%	Munich	Banking
Mediolanum Corp. University S.p.A.	20,000	100.000%	Basiglio	Education and Training

Group companies indirectly owned by Banca Mediolanum S.p.A. through Banco de Finanzas e Inversiones S.A., consolidated on a line-by-line basis are set out in the table below.

€/000 Company	Share capital	% holding	Registered Office	Business
Ges Fibanc SGIIC S.A.	2,506	99.999%	Barcelona	Fund management
Fibanc S.A.	301	99.998%	Barcelona	Financial advice
Fibanc Pensiones S.G.F.P. S.A.	902	99.999%	Barcelona	Pension fund management
Mediolanum International Funds Ltd	150	5.000%	Dublin	Fund management

Mediolanum S.p.A. associates accounted for using the equity method are set out in the table below.

€/000 Company	Share capital	% holding	Registered Office	Business
Banca Esperia S.p.A.	13,000	50.000%	Milan	Banking
Mediobanca S.p.A.	430,529	3.444%	Milan	Banking

KEY BALANCE SHEET INFORMATION**● Investments, cash and cash equivalents**

€/000	June 30, 2010	%	Dec. 31, 2009	%
Investment property	91,202	0.3	90,518	-
Investments in subsidiaries, associates and JVs	440,438	1.5	432,684	1.8
Held to Maturity investments	1,582,774	5.2	1,581,409	6.2
Loans and Receivables	5,397,380	17.9	4,847,829	24.8
Available for sale financial assets	4,229,172	14.0	2,956,206	7.0
Financial assets at fair value through profit or loss	17,945,613	59.5	17,798,081	59.0
Total investments	29,686,579	98.4	27,706,727	98.8
Tangible assets: property and other tangible assets	80,635	0.3	83,963	0.4
Cash and cash equivalents	404,647	1.3	213,764	0.9
Total investments, cash and cash equivalents	30,171,861	100.0	28,004,454	100.0

● Investments in subsidiaries, associates and joint ventures

€/000	June 30, 2010	Dec. 31, 2009
Mediobanca S.p.A.	383,746	376,543
Banca Esperia S.p.A.	56,692	56,141
Total	440,438	432,684

The movements in this account in the period under review mainly relate to the investments in Mediobanca and Banca Esperia accounted for under the equity method in accordance with the respective share of equity included in the consolidated accounts at March 31, 2010 and June 30, 2010, respectively.

The impact of these investments accounted for by the equity method on the income statement was a positive balance of €3.4 million versus a negative balance of €1.2 million in the same period of the prior year.

The analysis of Loans and Receivables is set out in the table below.

€/000	June 30, 2010	Dec. 31, 2009
Banks	1,465,987	1,587,902
Debt securities	731,026	685,299
Repurchase agreements	474,833	243,492
Time deposits	183,489	492,413
Others	33,326	110,473
Reserve requirements	43,313	56,225
Banking customers	3,857,461	3,215,513
Mortgage loans	2,203,875	2,065,563
Debt securities	584,906	79,079
Current accounts	357,387	350,814
Repurchase agreements	95,240	44,366
Others	616,053	675,691
Other loans and receivables	73,932	44,414
Total	5,397,380	4,847,829

Loans and Receivables amounted to €5,397.4 million, up €549.6 million.

Interbank lending was down €121.9 million compared to the balance reported at December 31, 2009, mainly due to the decline in time deposits (down €308.9 million) partly offset by the increase in repurchase agreements (up €231.3 million) and debt securities (up €45.7 million).

Loans to customers grew €642 million from €3,215.5 million at December 31, 2009 to €3,857.5 million at June 30, 2010.

Banking customers' debt securities amounted to €585 million up €506 million from €79 million at year end 2009.

Other loans and receivables amounted to €73.9 million (YE 2009: €44.4 million) and largely consisted of debt securities (€64.1 million).

The analysis of 'Held-to-Maturity Investments', 'Available-for-Sale Financial Assets' and 'Financial Assets at fair value through profit or loss' is set out in the table below.

€/000	June 30, 2010	Dec. 31, 2009
Held to Maturity investments	1,582,774	1,581,409
Debt securities	1,582,774	1,581,409
Available for sale financial assets	4,229,172	2,956,206
Debt securities	4,015,928	2,734,058
Equities	33,703	37,345
Holdings in UCITS	179,541	184,803
Financial assets at fair value through profit or loss	17,945,613	17,798,081
Debt securities	9,520,725	9,635,699
Equities	19	10
Holdings in UCITS	8,416,424	8,152,066
Trading derivatives	8,445	9,127
Hedging derivatives	-	1,179
Total	23,757,559	22,335,696

Financial assets at fair value through profit or loss and Held to Maturity investments, amounting to €17,945.6 million and 1,582.8 million, respectively, remained essentially unchanged over the end of the prior year.

Available for sale financial assets increased €1,273.0 million to €4,229.2 million. The increase was largely due to investments in the "MEDIOLANUM FREEDOM FUND" segregated funds associated with the new Mediolanum Plus policy.

● Held to maturity investments

€/000	June 30, 2010				Dec. 31, 2009			
	Balance	Fair value			Balance	Fair value		
		L1	L2	L3		L1	L2	L3
Debt securities	1,582,774	484,869	1,103,732	-	1,581,409	496,121	1,111,641	-
Total	1,582,774	484,869	1,103,732	-	1,581,409	496,121	1,111,641	-

● Available for sale financial assets

€/000	June 30, 2010				Dec. 31, 2009			
	Balance	Fair value			Balance	Fair value		
		L1	L2	L3		L1	L2	L3
Debt securities	4,015,928	3,792,087	223,841	-	2,734,057	2,618,072	115,985	-
Equities	33,703	5,186	16,142	12,375	37,346	8,555	16,141	12,650
Holdings in UCITS	179,541	-	116,585	62,956	184,803	-	121,901	62,902
Total	4,229,172	3,797,273	356,568	75,331	2,956,206	2,626,627	254,027	75,552

● Financial liabilities at fair value through profit or loss

€/000	June 30, 2010				Dec. 31, 2009			
	Balance	Fair value			Balance	Fair value		
		L1	L2	L3		L1	L2	L3
Financial assets held for trading								
Debt securities	4,351,891	4,072,871	277,907	1,113	3,851,288	3,609,261	239,564	2,463
Equities	19	19	-	-	10	10	-	-
Holdings in UCITS	18,767	92	-	18,675	25,462	6,520	-	18,942
Trading derivatives	8,445	91	3,155	5,199	9,127	1	6,716	2,410
Total	4,379,122	4,073,073	277,907	24,987	3,885,887	3,615,792	246,280	23,815
Financial assets at fair value								
Debt securities	5,168,834	81,191	4,784,650	302,993	5,784,411	-	5,153,119	631,292
Holdings in UCITS	8,397,657	8,130,291	267,366	-	8,126,604	7,534,366	592,238	-
Hedging derivatives	-	-	-	-	1,179	-	1,179	-
Total	13,566,491	8,211,482	5,052,016	302,993	13,912,194	7,534,366	5,746,536	631,292
Grand total	17,945,613	12,284,555	5,333,078	327,980	17,798,081	11,150,158	5,992,816	655,107

● Net technical reserves

€/000	June 30, 2010	Dec. 31, 2009
Mathematical reserves	6,972,287	5,836,372
Reserve for outstanding claims	155,969	155,955
Technical reserves for contracts under which the investment risk is borne by the policyholder and in connection with pension fund management	13,563,743	13,914,643
Other reserves	32,088	96,013
Total Life Business reserves	20,724,087	20,002,983

Technical reserves net of reinsurers' share increased from €20,002.9 million at year end 2009 to €20,724.1 million at the end of the period under review. The balance includes the policyholders' share of valuation gains on 'available-for-sale financial assets' and 'securities at fair value through profit or loss', amounting to €17,879 thousand.

● Financial liabilities

○ Financial liabilities at fair value through profit or loss

€/000	June 30, 2010	Dec. 31, 2009
Total financial liabilities at fair value through profit and loss	704,143	367,748
Short positions on debt securities	483,645	258,251
Trading derivatives	93,005	22,689
Hedging derivatives	51,623	15,906
Other financial liabilities	9,563	383
Financial liabilities on contracts under which the investment risk is borne by the policyholder	66,307	70,519

Financial liabilities at fair value through profit or loss

€/000	June 30, 2010				Dec. 31, 2009			
	Balance	L1	L2	L3	Balance	L1	L2	L3
Financial liabilities held for trading								
Short positions on debt securities	483,645	483,645	-	-	258,251	258,251	-	-
Trading derivatives	93,005	70,636	14,150	8,219	22,689	-	14,204	8,485
Other financial liabilities	9,563	9,105	458	-	383	-	383	-
Total	586,213	563,386	14,608	8,219	281,323	258,251	14,587	8,485
Financial liabilities at fair value								
Liabilities arising on financial contracts issued by insurance companies:								
- contracts under which the investment risk is borne by the policyholder	53,048	20,585	32,389	74	57,254	20,344	35,136	1,774
- in connection with pension fund management	13,259	13,259	-	-	13,265	13,265	-	-
Hedging derivatives	51,623	-	51,623	-	15,906	-	15,906	-
Total	117,930	33,844	84,012	74	86,425	33,609	51,042	1,774
Grand total	704,143	597,230	98,620	8,293	367,748	291,860	65,629	10,259

At the end of the period under review, financial liabilities at fair value through profit or loss amounted to €704.1 million, up €336.4 million from the year end 2009 balance. The increase was mainly in connection with larger short positions on debt securities held by Banca Mediolanum at the end of the period (up €225.4 million).

Other financial liabilities

€/000	June 30, 2010	Dec. 31, 2009
Banks	1,974,397	1,644,362
Time deposits	603,765	1,055,615
Loans	465,000	445,000
Central Banks	429,947	135,345
Repurchase agreements	205,432	3,551
Current accounts and demand deposits	269,485	4,103
Others	768	748
Banking customers	5,865,521	5,197,242
Bank accounts	5,083,329	4,861,050
Loans	55,161	60,141
Repurchase agreements	518,851	67,209
Securities issued	176,307	179,450
Interest-free financing facility	12,400	12,400
Other liabilities	19,473	16,992
Other financial liabilities	97,838	99,682
Total	7,937,756	6,941,286

Other Financial Liabilities increased €996.5 million from €6,941.3 million at December 31, 2009 to €7.937.8 million at June 30, 2010.

The increase in amounts due to banks was mainly in relation to amounts due to central banks and demand deposits that rose €294.6 million and €265.4 million, respectively, as well as to Banca Mediolanum S.p.A. repurchase agreements that at June 30, 2010 reached €205.4 million.

Time deposits were down €451.9 million from the balance reported at December 31, 2009.

Amounts due to banking customers rose from €5,197.2 million at December 31, 2009 to €5,865.5 million at June 30, 2010, largely owed to the increase in repurchase agreements (up €451.6 million).

Shareholders' Equity

€/000	June 30, 2010	Dec. 31, 2009
Share capital	73,142	73,140
Equity reserves	54,383	53,477
Retained earnings and other reserves	789,342	618,584
Treasury shares	(2,045)	(2,045)
Gains (losses) on available for sale financial assets	(30,922)	8,931
Other gains (losses) recognised directly in equity	27,462	23,051
Net profit (loss) for the period attributable to the Group	84,648	217,280
Total capital and reserves attributable to the Group	996,010	992,418

At June 30, 2010, total capital and reserves attributable to the Group amounted to €996.0 million versus €992.4 million at December 31, 2009.

For the period under review the Group posted net losses on available for sale financial assets of €30.9 million down €39.8 million from €8.9 million net gains at year end 2009. The balance is stated net of the share of valuation gains recognised to policyholders amounting to €2,594 thousand (Shadow Accounting Reserve) and the related taxation (€838 thousand).

RECONCILIATION OF PARENT COMPANY'S SHAREHOLDERS' EQUITY TO CONSOLIDATED SHAREHOLDERS' EQUITY

€/000	Capital & Reserves	Net profit	Shareholders' equity
Parent Company accounts at June 30, 2010	553,653	52,499	606,152
Successive changes in the carrying amount and shareholders' equity of companies consolidated on a line-by-line basis	176,482	143,286	319,768
Differences on investments accounted for by the equity method	62,803	3,411	66,214
Intercompany dividends	114,252	(114,252)	-
Elimination of intercompany transactions	(2,684)	42	(2,642)
Gains on property at the date of acquisition of entities consolidated on a line-by-line	6,716	(83)	6,633
Other	140	(255)	(115)
Consolidated accounts at June 30, 2010	911,362	84,648	996,010

KEY INCOME STATEMENT INFORMATION

● Technical account - Life insurance

€/000	June 30, 2010	June 30, 2009
Gross premiums written less reinsurance premiums – premiums written	4,988,563	3,921,007
Total premiums written	4,988,563	3,921,007
Gross amounts paid less recoveries from reinsurers		
Amounts paid	(4,418,898)	(1,229,192)
– Change in reserve for outstanding claims	9,175	(14,574)
– Change in mathematical reserves	(1,146,653)	(2,201,680)
– Change in other technical reserves	23,870	1,634
– Change in technical reserves for contracts under which the investment risk is borne by the policyholder and reserves relating to pension fund management	308,590	(1,313,843)
Total amounts paid and change in reserves	(5,223,916)	(4,757,655)
Life Insurance net income (expense)	(235,353)	(836,648)

Total premiums written in the period were up €1,067,556 thousand to €4,988,563 thousand from €3,921,007 thousand in the same period of the prior year. Growth was largely due to the success of the new Mediolanum Plus policy (+€1,534,342 thousand).

● Commission income

€/000	June 30, 2010	June 30, 2009
Management, brokerage and consulting services	356,248	254,089
Collection and payment services	20,006	14,113
Loadings on investment contracts	464	1,367
Other services	17,949	15,914
Total	394,667	285,483

The €109,184 thousand (38%) increase in commission income was largely owed to growth in entry fees (+€31.8 million), management fees (+€51.9 million) and banking services fees (+€28.6 million).

For enhanced accurateness of June 30, 2009 balances, a €490 thousand amount was reclassified out of 'Commission Income' to 'Other Revenues'.

● Commission expenses

€/000	June 30, 2010	June 30, 2009
Management, brokerage and consulting services	112,609	73,014
Collection and payment services	18,421	13,936
Acquisition of investment contracts	351	479
Other services	13,133	9,380
Total	144,514	96,809

Commission expenses were up €47,705 thousand (49%) from €96,809 thousand at June 30, 2009 to €144,514 thousand at the end of the period under review.

● Net income from financial instruments at fair value through profit or loss

€/000	June 30, 2010	June 30, 2009
Financial assets		
Interest income and other investment income:		
– from financial assets held for trading	43,187	29,894
– from financial assets at fair value through profit or loss	97,686	109,328
Net income (loss) on financial assets held for trading	(12,130)	27,271
Net income (loss) on financial assets at fair value through profit or loss	75,276	743,103
Financial liabilities		
Interest expense and similar charges:		
– on financial liabilities held for trading	(8,834)	(14,907)
– on financial liabilities at fair value through profit or loss	(97)	(2,218)
Net income (loss) on financial liabilities held for trading	(4,461)	(3,296)
Net income (loss) on financial liabilities at fair value through profit or loss	21,663	8,996
Total	212,290	898,171

At June 30, 2010, the Group reported a net loss on financial assets and liabilities held for trading of €16,591 thousand (H1 2009: net income of €23,975 thousand) largely due to net unrealised losses amounting to €23.2 million. Financial instruments held for trading largely consisted of debt securities.

● Net income on other financial instruments and investment property

€/000	June 30, 2010	June 30, 2009
Interest income and other income	138,135	156,960
Realised gains	16,445	11,344
Unrealised gains	6,087	4,379
Total income	160,667	172,683
Interest expense and other charges	(32,671)	(55,797)
Realised losses	(4,455)	(2,970)
Unrealised losses	(13,978)	(9,742)
Total expense	(51,104)	(68,509)
Total net income	109,563	104,174

Net income from

€/000	June 30, 2010	June 30, 2009
Investment property	2,477	745
Available-for-sale financial assets	58,302	36,560
Held-to-maturity investments	25,003	36,727
Loans and receivables	56,210	85,718
Other	(32,507)	(55,576)
Total net income	109,563	104,174

For enhanced accurateness of June 30, 2009 balances, a €339 thousand amount was reclassified out of 'Other Expenses' to 'Net income on other financial instruments and investment property'.

Net income from investment property

€/000	June 30, 2010	June 30, 2009
Other income	3,233	1,270
Other expenses	(164)	(221)
Unrealised losses	(592)	(304)
Total	2,477	745

Net income from held-to-maturity investments

€/000	June 30, 2010	June 30, 2009
Interest income and other income	25,003	36,264
Realised gains	-	559
Realised losses	-	(96)
Total	25,003	36,727

Net income from available-for-sale financial assets

€/000	June 30, 2010	June 30, 2009
Interest income and other income	50,154	28,649
Realised gains	16,330	10,785
Realised losses	(4,455)	(2,874)
Unrealised losses	(3,727)	-
Total	58,302	36,560

Net income from loans and receivables

€/000	June 30, 2010	June 30, 2009
Interest income and other income	59,745	90,777
Realised gains	115	-
Unrealised gains	6,087	4,379
Unrealised losses	(9,659)	(9,438)
Total	56,288	85,718

Due to dramatic interest rate cuts, 'interest income and other income' declined from €90,777 thousand at June 30, 2009 to €59,745 thousand at the end of the period under review. This item mainly relates to loans to banking customers for €45,047 thousand and loans to banks for €13,768 thousand.

Net expense from financial liabilities

€/000	June 30, 2010	June 30, 2009
Interest expense and other charges	(32,507)	(55,576)
Total	(32,507)	(55,576)

● Operating expenses

€/000	June 30, 2010	June 30, 2009
Commissions and other expenses relating to the acquisition of insurance contracts	40,321	43,826
Investment management expenses	69	217
Other administrative expenses	165,795	161,664
Total	206,185	205,707

For enhanced accurateness of June 30, 2009 comparative information, a €131 thousand amount was reclassified out of 'Other administrative expenses' to 'Other revenues'.

● Average number of employees by category

Number	June 30, 2010	June 30, 2009
Employees:		
senior management	111	95
middle management	232	151
other employees	1,719	1,779
Total employees	2,062	2,025
Other personnel	10	38
Total	2,072	2,063

● Other expenses

€/000	June 30, 2010	June 30, 2009
Total	36,537	28,970

The increase in 'Other Expenses' relates to greater provisions for risks and charges (+€5,961 thousand) especially amounts set aside for contractual obligations to the sales network and to cover the risk of financial advisors' misconduct.

For enhanced accurateness of June 30, 2009 comparative information, a €339 thousand amount was reclassified out of 'Other Expenses' to 'Net income on other financial instruments and investment property'.

● Income tax

€/000	June 30, 2010	June 30, 2009
Current tax	(22,867)	(27,522)
Deferred tax	(462)	4,623
Total	(23,329)	(22,899)

For the period under review there was an about €4.3 million additional tax charge as the Group already accounted for the reduced deductibility (down to about 1.5%) of variations in life technical reserves introduced by Italian Government decree 78 of May 2010 – already ratified by Italy's Senate and due to be converted into law by July 30, 2010 after approval by Italy's House of Representatives.

INCOME STATEMENT INFORMATION BY OPERATING SEGMENT

This section presents consolidated financial information by operating segment. In compliance with IFRS 8, segment reporting reflects the management reporting approach of the Mediolanum Group, and is consistent with the information disclosed to the market and to the various stakeholders.

● Note on the method applied to segment reporting

Pursuant to IFRS 8, for the purpose of segment reporting of consolidated results the Mediolanum Group identified the following operating segments:

- ITALY – LIFE
- ITALY – ASSET MANAGEMENT
- ITALY – BANKING
- ITALY – OTHER
- SPAIN
- GERMANY

For the purpose of segment reporting income and expense items were directly assigned to the various segments by product type. Indirect costs and other residual items were spread over the various segments applying allocation policies.

INCOME STATEMENT BY OPERATING SEGMENT AT JUNE 30, 2010

€/000	ITALY					Consolidation adjustments	Total
	Life	Banking	Asset Man.	Other			
Net premiums written	4,929,135	-	-	-	-	-	4,929,135
Amounts paid & change in technical reserves	(4,914,356)	-	-	-	-	-	(4,914,356)
Life revenues ex-commission	14,779	-	-	-	-	-	14,779
Entry fees	-	-	60,435	-	-	-	60,435
Management fees	95,013	-	74,877	-	-	-	169,890
Performance fees	36,471	-	30,029	-	-	-	66,500
Banking service fees	-	51,568	-	-	(346)	-	51,222
Other fees	402	3,473	11,553	-	-	-	15,428
Total commission income	131,886	55,041	176,894	-	(346)	-	363,475
Net interest income	6,638	55,636	574	(8)	-	-	62,840
Interest income and similar income	11,496	92,356	578	2,199	(4,616)	-	102,013
Interest expense and similar charges	(4,858)	(36,720)	(4)	(2,207)	4,616	-	(39,173)
Gains / Losses investments at fair value	1,511	108	(15)	-	-	-	1,604
Net financial income	8,149	55,744	559	(8)	-	-	64,444
Equity method	-	-	-	3,411	-	-	3,411
Net realised gains on other investments	4,174	1,204	(104)	(831)	-	-	4,443
Net impairment of loans	-	(3,550)	-	(142)	-	-	(3,692)
Net impairment of other investments	-	(979)	-	(2,748)	-	-	(3,727)
Income from other investments	4,174	(3,325)	(104)	(3,721)	-	-	(2,976)
Other revenues	6,599	3,734	72	336	-	-	10,742
TOTAL REVENUES	165,587	111,194	177,421	18	(346)	-	453,875
Sale network commission expenses	(49,964)	(22,253)	(82,023)	-	-	-	(154,240)
Other commission expenses	(3,101)	(6,017)	(3,756)	-	-	-	(12,875)
G&A expenses	(51,317)	(67,949)	(40,740)	(901)	346	-	(160,561)
Amortisation and depreciation	(2,145)	(4,368)	(1,714)	(28)	-	-	(8,254)
Provision for risks and charges	(2,168)	(986)	(3,500)	-	-	-	(6,654)
TOTAL COSTS	(108,696)	(101,572)	(131,733)	(929)	346	-	(342,584)
PROFIT/ (LOSS) BY SEGMENT BEFORE TAX	56,891	9,622	45,688	(911)	-	-	111,291
Income Tax	-	-	-	-	-	-	-
NET PROFIT / (LOSS)	-	-	-	-	-	-	-

FOREIGN

Spain	Germany	Consolidation adjustments	Total
48,469	10,959	-	4,988,563
(42,246)	(10,100)	-	(4,966,702)
6,223	859	-	21,861
2,169	95	-	62,699
5,138	2,155	(27)	177,156
1,209	951	-	68,660
2,787	16,249	(2)	70,256
743	124	-	16,295
12,046	19,574	(29)	395,066
2,530	212	-	65,582
4,749	344	(180)	106,926
(2,219)	(132)	180	(41,344)
(313)	(273)	-	1,018
2,217	(61)	-	66,600
-	-	-	3,411
448	(1)	-	4,890
119	-	-	(3,573)
-	-	-	(3,727)
567	(1)	-	(2,410)
272	84	(413)	10,685
21,325	20,455	(442)	495,213
(7,763)	(1,958)	29	(163,932)
(1,068)	(13,730)	-	(27,673)
(13,281)	(6,135)	413	(179,564)
(793)	(479)	-	(9,526)
113	-	-	(6,541)
(22,792)	(22,302)	442	(387,236)
(1,467)	(1,847)	-	107,977
-	-	-	(23,329)
-	-	-	84,648

INCOME STATEMENT BY OPERATING SEGMENT AT JUNE 30, 2009

€/000	ITALY					Consolidation adjustments	Total
	Life	Banking	Asset Man.	Other			
Net premiums written	3,881,844	-	-	-	-	-	3,881,844
Amounts paid & change in technical reserves	(3,837,007)	-	-	-	-	-	(3,837,007)
Life revenues ex-commission	44,837	-	-	-	-	-	44,837
Entry fees	-	-	29,890	-	-	-	29,890
Management fees	71,900	-	47,680	-	-	-	119,580
Performance fees	44,528	-	27,344	-	-	-	71,872
Banking services fees	-	29,823	-	-	-	(339)	29,484
Other fees	1,372	2,435	9,995	-	-	-	13,802
Total commission income	117,800	32,259	114,909	-	-	(339)	264,628
Net interest income	11,302	76,984	543	(2,307)	-	-	86,522
Interest income and similar income	13,586	145,047	549	1,733	(5,879)	-	155,036
Interest expense and similar charges	(2,284)	(68,063)	(6)	(4,040)	5,879	-	(68,514)
Gains / Losses investments at fair value	10,277	10,841	(7)	18	-	-	21,129
Net financial income	21,579	87,825	536	(2,289)	-	-	107,651
Equity method	-	-	-	(1,217)	-	-	(1,217)
Net realised gains on other investments	4,915	2,628	-	2,407	-	-	9,950
Net impairment of loans	-	(5,036)	-	-	-	-	(5,036)
Net impairment of other investments	-	(40)	-	-	-	-	(40)
Income from other investments	4,915	(2,448)	-	2,407	-	-	4,874
Other revenues	6,997	2,666	98	655	-	-	10,416
TOTAL REVENUES	196,128	120,302	115,542	(444)	(339)	-	431,189
Sale network commission expenses	(60,155)	(15,333)	(41,865)	-	-	-	(117,354)
Other commission expenses	(2,361)	(6,148)	(2,681)	(28)	-	-	(11,217)
G&A expenses	(46,118)	(73,202)	(35,688)	(1,046)	339	-	(155,715)
Amortisation and depreciation	(1,789)	(4,343)	(1,383)	(61)	-	-	(7,576)
Provision for risks and charges	(1,855)	(324)	(1,221)	(73)	-	-	(3,473)
TOTAL COSTS	(112,278)	(99,351)	(82,838)	(1,208)	339	-	(295,335)
PROFIT/ (LOSS) BY SEGMENT BEFORE TAX	83,851	20,951	32,704	(1,652)	-	-	135,854
Income Tax	-	-	-	-	-	-	-
NET PROFIT / (LOSS)	-	-	-	-	-	-	-

FOREIGN

Spain	Germany	Consolidation adjustments	Total
33,009	6,154	-	3,921,007
(28,576)	(5,315)	-	(3,870,898)
4,433	839	-	50,109
924	100	-	30,914
4,140	1,722	(93)	125,349
1,158	199	-	73,229
2,510	9,703	(3)	41,694
723	201	-	14,726
9,455	11,925	(96)	285,912
4,199	426	(1)	91,146
6,932	735	(1,076)	161,627
(2,733)	(309)	1,075	(70,481)
(50)	(27)	-	21,052
4,149	399	(1)	112,198
-	-	-	(1,217)
327	53	-	10,330
17	-	-	(5,019)
-	-	-	(40)
344	53	-	5,271
228	86	(461)	10,269
18,609	13,302	(558)	462,542
(6,758)	(9,843)	96	(133,859)
(69)	(239)	-	(11,525)
(14,650)	(5,813)	462	(175,716)
(715)	(559)	-	(8,850)
1,467	2	-	(2,004)
(20,725)	(16,452)	558	(331,954)
(2,116)	(3,150)	-	130,588
-	-	-	(22,899)
-	-	-	107,689

RELATED PARTY TRANSACTIONS

1. Information on related party transactions

Transactions with related parties are part of the ordinary course of business of companies within the Mediolanum Group. These transactions are made at arm's length and in the interests of the individual entities. They mainly relate to transactions with associates, especially the Mediobanca Group, and other related parties, mostly Directors and companies of the Doris Group and the Fininvest Group. Key financial information on transactions with related parties other than companies consolidated on a line-by-line basis is set out below.

€/000	Associates	Other related parties
Loans and Receivables	609,446	7,113
Financial assets at fair value through profit or loss	555,926	-
Available for sale financial assets	6,536	-
AFS Reserve	571	-
Amounts due to customers	4,193	57,680
Amounts due to banks	-	93,483
Interest expense and similar charges	-	3
Other income (expense)	-	(9,527)

2. Key management compensation

€/000	Directors, Statutory, Auditors, Deputy/ General Managers	Other key managers
Emoluments & social security contributions	3,400	423
Non-cash benefits	18	-
Share-based awards (stock options)	195	26

● Atypical and/or unusual transactions

In the reporting period there were no atypical and/or unusual transactions which for significance, nature of the counterparties, subject of the transaction, pricing method and timing could raise doubts as to the accuracy and completeness of the information disclosed herein, conflicts of interest, the safeguarding of corporate assets or the protection of minority shareholders (cf. Consob Communication No. DEM/6064293 of July 28, 2006).

● Non recurring transactions

In the reporting period there were no non-recurring events or transactions, i.e. events or transactions which do not occur frequently in the ordinary course of business (cf. Consob Communication No. DEM/6064293 of July 28, 2006).

● Equity-settled share-based payment transactions

○ Stock options plans

In the first half of 2009, 20,700 new Mediolanum dividend-bearing ordinary shares were issued following the exercise of stock options by Directors and Contract Workers of companies within the Mediolanum Group.

This entailed a €2.07 thousand increase in Mediolanum ordinary share capital and a €22.7 thousand increase in the share premium account.

The overall expense in connection with the stock options plan for the period amounted to €1,063.2 thousand (H1 2009: €2,179.8 thousand).

On March 9, 2010, after consulting with the Compensation Committee, the Board of Directors of Mediolanum S.p.A. approved the guidelines for the Stock Options Plan reserved to the directors and executives of the Company and its subsidiaries ('Top Management Plan 2010') as well as the guidelines for the Stock Options Plan for contract workers – i.e. the members of the sales network – of the Company and its subsidiary ('Sales Network Plan 2010'), collectively the 'Plans'. The Plans were submitted to the Extraordinary General Meeting of April 27, 2010 for approval.

Pursuant to section 84-bis, paragraph 3 of the Regulation for Issuers, readers are informed that:

- The Top Management Plan 2010 is the stock options plan reserved to the directors and other key management of the Company and/or its subsidiaries. The Sales Network Plan 2010 is the stock options plan reserved to the financial advisors working for the Company and its subsidiaries, as may be selected from time to time for their individual role and contribution to business growth.
- The Plans entail annual awards of rights to subscribe to newly issued ordinary shares of the Company (the 'Stock Options'). The implementation of the Plan entails two new rights issues reserved to each of the two categories of Beneficiaries, pursuant to art. 2441, paragraph five, of the Italian Civil Code, as resolved by the Board of Directors under the authority delegated to it by the General Meeting, pursuant to art. 2443 of the Italian Civil Code. The Stock Options under the Top Management Plan 2010 shall vest over a period of three to five years of the Grant Date and be exercisable for a period of three years after the date of vesting. The Stock Options under the Sales Network Plan 2010 shall vest over a period of five to ten years of the Grant Date and be exercisable for a period of three years after the date of vesting.
The exercise of the Stock Options under the Plans is conditional upon the achievement of specific corporate and/or individual performance targets. The details of the Plans shall be laid down by the Board of Directors after consultation with the competent bodies of the Company and its subsidiaries.
- The Plans are designed to provide incentives to the Beneficiaries and at the same time promote value creation and growth for the Company and, accordingly, its shareholders. The Top Management Plan 2010 is believed to be an adequate scheme to link key management incentives to both medium-term performance of the Company/Group and individual performance, align goals and maximise the creation of value for the shareholders. The Sales Network Plan 2010 is an adequate scheme to link sales network incentives to both medium-term performance of the Company/Group and individual performance, align goals and maximise the creation of value for the shareholders. Considering the length of the vesting period, the Sales Network Plan 2010 is also a powerful way to enhance the sales network loyalty.



Schedules

SCHEDULES

This section presents financial information pursuant to ISVAP Regulation No. 2460 of August 10, 2006 (Interim financial reporting rules. Amendments to ISVAP Regulation No. 1207-G of July 6, 1999) and in accordance with Regulation No. 7 of July 13, 2007, as subsequently amended by ISVAP Regulation 2784 of March 8, 2010.

In accordance with the regulations mentioned above, for segment reporting purposes, balance sheet and income statement balances were allocated as follows: 'Life Business' includes only the balances of the Life Insurance companies within the Group while 'Financial Business' includes the balances of the parent company Mediolanum S.p.A., the Mediolanum Banking Group and other Group companies. 'Intersegment' shows intercompany balances that were offset against each other.

This presentation of segmental information differs from that of prior years. The new format was adopted to present information in a manner that is more in line with the Mediolanum Group management reporting approach, as noted in the previous section 'Income statement information by operating segment'.

Balance sheet information by segment (ISVAP)

€/'000	LIFE BUSINESS	
	June 30, 2010	Dec. 31, 2009
1. Intangible assets	98,983	98,361
2. Tangible assets	17,928	18,181
3. Reinsurers' share of technical reserves	98,298	100,277
4. Investments	20,250,842	19,329,090
4.1 Investment property	91,202	90,518
4.2 Investments in subsidiaries, associates and joint ventures	-	-
4.3 Held to maturity investments	252,246	252,062
4.4 Loans and receivables	153,945	44,425
4.5 Available for sale financial assets	2,658,319	1,893,188
4.6 Financial assets at fair value through profit or loss	17,095,130	17,048,897
5. Other receivables	8,123	8,614
6. Other assets	399,485	369,915
6.1 Deferred acquisition costs	-	-
6.2 Other	399,485	369,915
7. Cash and cash equivalents	980,899	975,376
Total assets	21,854,558	20,899,814
1. Shareholders' equity	-	-
2. Provisions	1,267	1,205
3. Technical reserves	20,724,087	20,002,983
4. Financial liabilities	416,768	307,271
4.1 Financial liabilities at fair value through profit or loss	156,005	91,293
4.2 Other financial liabilities	260,763	215,978
5. Payables	134,040	142,822
6. Other liabilities	172,904	82,061
Total liabilities and shareholders' equity	-	-

FINANCIAL BUSINESS		INTERSEGMENT		TOTAL	
June 30, 2010	Dec. 31, 2009	June 30, 2010	Dec. 31, 2009	June 30, 2010	Dec. 31, 2009
71,285	73,552	-	-	170,268	171,913
62,707	65,782	-	-	80,635	83,963
-	-	-	-	98,298	100,277
9,826,362	8,660,429	(390,625)	(282,792)	29,686,579	27,706,727
-	-	-	-	91,202	90,518
440,438	432,684	-	-	440,438	432,684
1,330,528	1,329,347	-	-	1,582,774	1,581,409
5,549,762	4,990,528	(306,327)	(187,124)	5,397,380	4,847,829
1,570,853	1,063,018	-	-	4,229,172	2,956,206
934,781	844,852	(84,298)	(95,668)	17,945,613	17,798,081
1,350	1,120	(90)	(121)	9,383	9,613
431,016	285,325	(212,062)	(49,942)	618,439	605,298
-	-	-	-	-	-
431,016	285,325	(212,062)	(49,942)	618,439	605,298
349,641	202,506	(925,893)	(964,118)	404,647	213,764
10,742,361	9,288,714	(1,528,670)	(1,296,973)	31,068,249	28,891,555
-	-	-	-	996,010	992,418
119,907	108,664	-	-	121,174	109,869
-	-	-	-	20,724,087	20,002,983
9,591,312	8,292,407	(1,366,181)	(1,290,644)	8,641,899	7,309,034
548,141	276,476	(3)	(21)	704,143	367,748
9,043,171	8,015,931	(1,366,178)	(1,290,623)	7,937,756	6,941,286
188,258	190,472	(79,248)	(77,524)	243,050	255,770
252,366	191,409	(83,241)	(51,989)	342,029	221,481
-	-	-	-	31,068,249	28,891,555

Income statement information by segment

€/000	LIFE BUSINESS	
	June 30, 2010	June 30, 2009
1.1 Net premiums written	4,989,012	3,921,007
1.1.1 Gross premiums written	4,991,045	3,923,234
1.1.2 Reinsurance premiums	(2,033)	(2,227)
1.2 Commission income	132,991	118,595
1.3 Net income on financial instruments at fair value through profit or loss	215,178	886,820
1.4 Income on investments in subsidiaries, associates and joint ventures	-	-
1.5 Income on other financial instruments and investment property	63,187	29,829
1.6 Other revenues	6,599	6,997
1 Total revenues	5,406,967	4,963,248
2.1 Net claims and benefits	(5,224,741)	(4,758,374)
2.1.1 Amounts paid and changes in technical reserves	(5,227,292)	(4,761,318)
2.1.2 Reinsurers' share	2,551	2,944
2.2 Commission expenses	(3,452)	(2,678)
2.3 Losses on investment in subsidiaries, associates and joint ventures	-	-
2.4 Losses on other financial instruments and investment property	(9,016)	(2,775)
2.5 Operating expenses	(86,457)	(97,892)
2.6 Other costs	(25,502)	(15,489)
2 Total costs	(5,349,168)	(4,877,208)
Net profit (loss) before tax for the period	57,799	86,040

FINANCIAL BUSINESS		INTERSEGMENT		TOTAL	
June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
-	-	(449)	-	4,988,563	3,921,007
-	-	(449)	-	4,990,596	3,923,234
-	-	-	-	(2,033)	(2,227)
464,491	315,543	(202,815)	(148,655)	394,667	285,483
1,465	14,871	(4,353)	(3,520)	212,290	898,171
3,411	899	-	-	3,411	899
102,901	149,805	(5,421)	(6,951)	160,667	172,683
24,325	24,155	(20,239)	(18,956)	10,685	12,196
596,593	505,273	(233,277)	(178,082)	5,770,283	5,290,439
-	-	825	719	(5,223,916)	(4,757,655)
-	-	825	719	(5,226,467)	(4,760,599)
-	-	-	-	2,551	2,944
(285,446)	(180,096)	144,384	85,965	(144,514)	(96,809)
-	(2,116)	-	-	-	(2,116)
(46,889)	(72,702)	4,801	6,968	(51,104)	(68,509)
(181,419)	(178,580)	61,691	70,765	(206,185)	(205,707)
(32,611)	(27,146)	21,576	13,665	(36,537)	(28,970)
(546,365)	(460,640)	233,277	178,082	(5,662,256)	(5,159,766)
50,228	44,633	-	-	108,027	130,673

Scope of consolidation

Company	Country	Method (1)
Mediolanum Vita S.p.A.	086	G
Partner Time S.p.A.	086	G
Banca Mediolanum S.p.A.	086	G
Mediolanum Comunicazione S.p.A.	086	G
Mediolanum Gestione Fondi SGR p.A.	086	G
Mediolanum International Funds Ltd	040	G
Mediolanum Asset Management Ltd	040	G
P.I. Distribuzione S.p.A.	086	G
Banco de Finanzas e Inversiones S.A.	067	G
Fibanc Pensiones S.G.F.P. S.A.	067	G
Fibanc S.A.	067	G
Ges Fibanc S.G.I.I.C. S.A.	067	G
Mediolanum International Life Ltd	040	G
Bankhaus August Lenz & Co. AG	094	G
Gamax Management AG	092	G
Mediolanum Distribuzione Finanziaria S.p.A.	086	G
Mediolanum Corporate University S.p.A.	086	G

(1) Consolidation method: Line-by-line consolidation = G; Proportionate consolidation = P; Line-by-line consolidation from joint management = U

(2) 1 = italian insurance companies; 2 = EU insurance companies UE; 3 = non EU insurance companies; 4 = insurance holding companies; 5 = EU reinsurance companies; 6 = non EU reinsurance companies; 7 = banks; 8 = asset management companies; 9 = holding companies; 10 = real estate companies; 11 = other.

(3) It is the product of all shareholdings in any intermediate entities between the reporting entity and the company in question. If the latter is directly owned by more subsidiaries, individual products are added up.

(4) Total percentage of voting rights at ordinary general meeting if different from direct or indirect ownership interest.

Analysis of companies accounted for by the equity method

Values in euro Company	Country	Business (1)
Banca Esperia S.p.A.	086	7
Mediobanca S.p.A.	086	7

(1) 1 = italian insurance companies; 2 = EU insurance companies UE; 3 = non EU insurance companies; 4 = insurance holding companies; 5 = EU reinsurance companies; 6 = non EU reinsurance companies; 7 = banks; 8 = asset management companies; 9 = holding companies; 10 = real estate companies; 11 = other.

(2) a = subsidiaries (IAS27); b = associates (IAS28); c = joint venture (IAS 31); an asterisk (*) denotes companies classified as "held for sale" in accordance with IFRS 5.

(3) It is the product of all shareholdings in any intermediate entities between the reporting entity and the company in question. If the latter is directly owned by more subsidiaries, individual products are added up.

(4) Total percentage of voting rights at ordinary general meeting if different from direct or indirect ownership interest.

Business (2)	% Direct ownership	% Total shareholding (3)	% Voting rights at ordinary general meeting (4)	% Consolidation
1	100.00	100.00	100.00	100.00
11	100.00	100.00	100.00	100.00
7	100.00	100.00	100.00	100.00
11	100.00	100.00	100.00	100.00
8	49.00	100.00	100.00	100.00
8	44.00	100.00	100.00	100.00
11	49.00	100.00	100.00	100.00
11	100.00	100.00	100.00	100.00
7	0.00	100.00	100.00	100.00
8	0.00	100.00	100.00	100.00
11	0.00	100.00	100.00	100.00
8	0.00	100.00	100.00	100.00
2	100.00	100.00	100.00	100.00
7	0.00	100.00	100.00	100.00
8	0.00	100.00	100.00	100.00
11	0.00	100.00	100.00	100.00
11	0.00	100.00	100.00	100.00

Type (2)	% Direct ownership	% Total shareholding (3)	% Voting rights at ordinary general meeting (4)	Book value
B	50,00	50,00	50,00	56,692,000
B	2,63	3,38	3,44	383,746,000

Analysis of tangible and intangible assets

€/000	At cost	Remeasured or at fair value	Book value
Investment property	91,202	-	91,202
Other property	61,540	-	61,540
Other tangible assets	19,095	-	19,095
Other intangible assets	13,004	-	13,004

Analysis of financial assets

€/000	Held to maturity investments		Loans and Receivables	
	June 30, 2010	Dec. 31, 2009	June 30, 2010	Dec. 31, 2009
Equity instruments and derivatives at cost	-	-	-	-
Equity instruments at fair value	-	-	-	-
<i>of which listed</i>	-	-	-	-
Debt instruments	1,582,774	1,581,409	-	-
<i>of which listed</i>	484,869	496,121	-	-
Holdings in UCITS	-	-	-	-
Loans to and receivables from banking customers	-	-	3,857,461	3,215,513
Loans to and receivables from banks	-	-	1,465,987	1,587,902
Deposits with cedents	-	-	-	-
Financial assets of insurance contracts	-	-	-	-
Other loans and receivables	-	-	73,932	44,414
Trading derivatives	-	-	-	-
Hedging derivatives	-	-	-	-
Other financial investments	-	-	-	-
Total	1,582,774	1,581,409	5,397,380	4,847,829

Financial assets at fair value through profit or loss

Available for sale financial assets		Financial assets held for trading		Financial assets at fair value		Book value	
June 30, 2010	Dec. 31, 2009	June 30, 2010	Dec. 31, 2009	June 30, 2010	Dec. 31, 2009	June 30, 2010	Dec. 31, 2009
-	-	-	-	-	-	-	-
33,703	37,346	19	10	-	-	33,722	37,356
5,186	8,555	19	10	-	-	5,205	8,565
4,015,928	2,734,057	4,351,891	3,851,288	5,168,834	5,784,411	15,119,427	13,951,165
3,792,087	2,618,072	4,072,871	3,609,261	81,191	-	8,431,018	6,723,454
179,541	184,803	18,767	25,462	8,397,657	8,126,604	8,595,965	8,336,869
-	-	-	-	-	-	3,857,461	3,215,513
-	-	-	-	-	-	1,465,987	1,587,902
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	73,932	44,414
-	-	8,445	9,127	-	-	8,445	9,127
-	-	-	-	-	1,179	-	1,179
-	-	-	-	-	-	-	-
4,229,172	2,956,206	4,379,122	3,885,887	13,566,491	13,912,194	29,154,939	27,183,525

Analysis of reinsurers' share of technical reserves

€/'000	Book value	
	June 30, 2010	Dec. 31, 2009
General business	-	-
Unearned premiums	-	-
Outstanding claims	-	-
Other reserves	-	-
Life business	98,298	100,277
Outstanding claims	459	599
Mathematical reserves	97,839	99,678
Technical reserves for contracts under which the investment risk is borne by the policyholder and for pension fund management	-	-
Other reserves	-	-
Total reinsurers' share of technical reserves	98,298	100,277

Analysis of assets and liabilities relating to contracts issued by insurance companies under which the investment risk is borne by the policyholder and to pension fund management

€/'000	Investment funds & indices		Pension funds		Total	
	June 30, 2010	Dec. 31, 2009	June 30, 2010	Dec. 31, 2009	June 30, 2010	Dec. 31, 2009
On-balance sheet assets	13,553,372	13,897,750	13,259	13,265	13,566,631	13,911,015
Intercompany assets*	84,155	95,667	-	-	84,155	95,667
Total Assets	13,637,527	13,993,417	13,259	13,265	13,650,786	14,006,682
On-balance sheet financial liabilities	72,263	77,949	13,259	13,265	85,522	91,214
On-balance sheet technical reserves	13,563,744	13,914,643	-	-	13,563,744	13,914,643
Intercompany liabilities*	-	-	-	-	-	-
Total Liabilities	13,636,007	13,992,592	13,259	13,265	13,649,266	14,005,857

* Asset and liabilities eliminated upon consolidation

Analysis of technical reserves

€/000	Book value	
	June 30, 2010	Dec. 31, 2009
General business	-	-
Unearned premiums	-	-
Outstanding claims	-	-
Other reserves	-	-
<i>of which amounts set aside following liability adequacy testing</i>	-	-
Life business	20,724,087	20,002,983
Outstanding claims	155,969	155,955
Mathematical reserves	6,972,287	5,836,372
Technical reserves for contracts under which the investment risk is borne by the policyholder and for pension fund management	13,563,743	13,914,643
Other reserves	32,088	96,013
<i>of which amounts set aside following liability adequacy testing</i>	-	-
<i>of which deferred liabilities to policyholders</i>	-	-
Total Technical Reserves	20,724,087	20,002,983

Analysis of financial liabilities

€/000	Financial liabilities at fair value through profit or loss			
	Financial liabilities held for trading		Financial liabilities at fair value	
	June 30, 2010	Dec. 31, 2009	June 30, 2010	Dec. 31, 2009
Quasi-equity instruments	-	-	-	-
Subordinated liabilities	-	-	-	-
Liabilities under financial contracts issued by insurance companies of which	-	-	66,307	70,519
contracts under which the investment risk is borne by the policyholder	-	-	53,048	57,254
pension fund management	-	-	13,259	13,265
other contracts	-	-	-	-
Deposits received from reinsurers	-	-	-	-
Financial liabilities of insurance contracts	-	-	-	-
Debt securities issued	-	-	-	-
Amounts due to banking customers	-	-	-	-
Amounts due to banks	-	-	-	-
Other financing received	-	-	-	-
Trading derivatives	93,005	22,689	-	-
Hedging derivatives	-	-	51,623	15,906
Other financial liabilities	493,208	258,634	-	-
Total	586,213	281,323	117,930	86,425

Analysis of technical account items

€/000	June 30, 2010	June 30, 2009
General Business		
NET PREMIUMS WRITTEN	-	-
a Premiums written	-	-
b Change in unearned premiums reserve	-	-
CLAIMS INCURRED	-	-
a Claims paid	-	-
b Change in outstanding claims reserve	-	-
c Change in recoveries	-	-
d Change in other technical reserves	-	-
Life Business		
NET PREMIUMS WRITTEN	4,988,563	3,921,007
AMOUNTS PAID AND CHANGE IN TECHNICAL RESERVES	(5,223,916)	(4,757,655)
a Amounts paid	(4,418,898)	(1,229,192)
b Change in outstanding claims reserve	9,175	(14,574)
c Change in mathematical reserves	(1,146,653)	(2,201,680)
d Change in technical reserves for contracts under which the investment risk is borne by the policyholder and for pension fund management	308,590	(1,313,843)
e Change in other technical reserves	23,870	1,634

Other financial liabilities		Book value	
June 30, 2010	Dec. 31, 2009	June 30, 2010	Dec. 31, 2009
-	-	-	-
-	-	-	-
-	-	66,307	70,519
-	-	53,048	57,254
-	-	13,259	13,265
-	-	-	-
97,838	99,682	97,838	99,682
-	-	-	-
176,307	179,450	176,307	179,450
5,676,814	5,005,392	5,676,814	5,005,392
1,974,397	1,644,362	1,974,397	1,644,362
12,400	12,400	12,400	12,400
-	-	93,005	22,689
-	-	51,623	15,906
-	-	493,208	258,634
7,937,756	6,941,286	8,641,899	7,309,034

Analysis of net interest income and investment income

€/000	Interest income (expense)	Other income	Other expense
Investment income	258,256	6,054	(164)
a from investment property	-	3,233	(164)
b from investments in subsidiaries, associates and joint ventures	-	-	-
c from held-to-maturity investments	25,003	-	-
d from loans and receivables	45,047	-	-
e from available-for-sale financial assets	47,911	2,243	-
f from financial assets held for trading	43,187	-	-
g from financial assets at fair value through profit or loss	97,108	578	-
Income on amounts receivable	930	-	-
Net cash and cash equivalents	13,768	-	-
Loss on financial liabilities	(22,642)	-	-
a on financial liabilities held for trading	(8,834)	-	-
b on financial liabilities at fair value through profit or loss	(97)	-	-
c on other financial liabilities	(13,711)	-	-
Expense on amounts payable	(18,792)	-	(4)
Total	231,520	6,054	(168)

Insurance Business - Analysis of Expenses

€/000	General Business		Life Business	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Gross agents' commissions & other acquisition costs	-	-	63,192	71,617
Commissions and profit sharing from reinsurers	-	-	-	-
Investment management expenses	-	-	(2,948)	(1,555)
Other administrative expenses	-	-	(20,317)	(24,720)
Total	-	-	86,457	97,892

Realised gains	Realised losses	Total	Unrealised gains		Unrealised losses		Total	Net income	Net income
			Gains on measurement	Reversal of impairment	Losses on measurement	Impairment		(loss) June 30, 2010	(loss) June 30, 2009
69,462	(58,064)	275,544	408,936	6,087	(341,787)	(13,978)	59,258	334,802	1,037,996
-	-	3,069	-	-	-	(592)	(592)	2,477	745
3,411	-	3,411	-	-	-	-	-	3,411	(1,217)
-	-	25,003	-	-	-	-	-	25,003	36,727
115	-	45,162	-	6,087	-	(9,659)	(3,572)	41,590	55,585
16,330	(4,455)	62,029	-	-	-	(3,727)	(3,727)	58,302	36,560
18,616	(10,144)	51,659	17,187	-	(37,789)	-	(20,602)	31,057	57,165
30,990	(43,465)	85,211	391,749	-	(303,998)	-	87,751	172,962	852,431
-	-	930	-	-	-	-	-	930	4,379
-	-	13,768	-	-	-	-	-	13,768	25,755
705	(3,250)	(25,187)	25,067	-	(5,320)	-	19,747	(5,440)	(42,392)
705	(3,250)	(11,379)	3,404	-	(5,320)	-	(1,916)	(13,295)	(18,203)
-	-	(97)	21,663	-	-	-	21,663	21,566	6,777
-	-	(13,711)	-	-	-	-	-	(13,711)	(30,966)
-	-	(18,796)	-	-	-	-	-	(18,796)	(24,610)
70,167	(61,314)	246,259	434,003	6,087	(347,107)	(13,978)	79,005	325,264	1,001,467

Analysis of other components of comprehensive income

€/000	Recognition		Adjustments owed to reclassification to the income statement	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Net exchange differences reserve	-	-	-	-
Profit (loss) on available for sale financial assets	(36,649)	14,190	(3,204)	(444)
Profit (loss) on cash flow hedges	-	-	-	-
Profit (loss) on hedges of investments in foreign operations	-	-	-	-
Changes in the equity of investees	4,411	(5,255)	-	-
Intangible assets revaluation reserve	-	-	-	-
Tangible assets revaluation reserve	-	-	-	-
Gains (losses) on non-current assets or disposal groups held for sale	-	-	-	-
Actuarial gains (losses) and adjustments on defined benefit plans	-	-	-	-
Other	-	-	-	-
Total other components of comprehensive income	(32,238)	8,935	(3,204)	(444)

Analysis of reclassified financial assets and effects on profit (loss) and comprehensive income

€/000	Category of reclassified financial assets		Type of asset	Assets reclassified in H1 2010	Assets reclassified in H1 2010	Book value of reclassified assets at June 30, 2010	Fair value of reclassified assets of June 30, 2010	
	from	to				Assets reclassified up until June 30, 2010	Assets reclassified in H1 2010	Assets reclassified up until June 30, 2010
	HFT	AFS	Debt securities	-	-	165,403	-	165,403
	HFT	Loans & Receivables	Debt securities	-	-	102,037	-	101,570
	Total			-	-	267,440	-	266,973

Other changes		Total changes		Taxation		Balance	
June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
-	-	-	-	-	-	-	-
-	-	(39,853)	13,746	19,031	(6,564)	(30,922)	(16,258)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	4,411	(5,255)	-	-	27,462	(8,767)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(35,442)	8,491	19,031	(6,564)	(3,460)	(25,025)

Assets reclassified in H1 2010		Assets reclassified up until June 30, 2010		Assets reclassified in H1 2010		Assets reclassified up until June 30, 2010	
Profit or loss recognised in the income statement	Profit or loss recognised in other components of comprehensive income	Profit or loss recognised in the income statement	Profit or loss recognised in other components of comprehensive income	Profit or loss that would have been recognised in the income statement if no re-classification had been made	Profit or loss that would have been recognised in other components of comprehensive income if no re-classification had been made	Profit or loss that would have been recognised in the income statement if no re-classification had been made	Profit or loss that would have been recognised in other components of comprehensive income if no re-classification had been made
-	-	1,575	-	-	-	(744)	-
-	-	1,158	-	-	-	223	-
-	-	2,733	-	-	-	(521)	-

Fair value hierarchy of financial assets and financial liabilities

€/000

Available for sale financial assets

Financial assets at fair value through profit or loss

Total

Financial liabilities at fair value through profit or loss

Total

Financial assets held for trading

Financial assets at fair value

Financial liabilities held for trading

Financial liabilities at fair value

Analysis of movements in level 3 financial assets and liabilities

€/000	Financial assets				
	Available for sale financial assets	Financial assets at fair value through profit or loss		Financial liabilities at fair value through profit or loss	
		Financial assets held for trading	Financial assets at fair value	Financial liabilities held for trading	Financial liabilities at fair value
Opening balance	75,552	23,815	631,292	8,485	1,774
Purchases/Issues	6,074	27,302	37,855	-	-
Sales/Buy-backs	(4,926)	(25,105)	(244,927)	-	-
Reimbursements	-	-	-	(29)	-
Gains (losses) recognised in the income statement	(13)	(331)	(60,219)	-	-
Gains (losses) recognised in other components of comprehensive income	(1,357)	-	-	-	-
Reclassified to level 3	-	-	-	-	-
Reclassified to other levels	-	(622)	(22,255)	-	-
Other changes	1	(72)	(38,753)	(237)	(1,700)
Closing balance	75,331	24,987	302,993	8,219	74

Level 1		Level 2		Level 3		Total	
June 30, 2010	Dec. 31, 2009	June 30, 2010	Dec. 31, 2009	June 30, 2010	Dec. 31, 2009	June 30, 2010	Dec. 31, 2009
3,797,273	2,626,627	365,568	254,027	75,331	75,552	4,229,172	2,956,206
4,073,073	3,615,792	281,062	246,280	24,987	23,815	4,379,122	3,885,887
8,211,482	7,534,366	5,052,016	5,746,536	302,993	631,292	13,566,491	13,912,194
18,081,828	13,776,785	5,689,646	6,246,843	403,311	730,659	22,174,785	20,754,287
563,386	258,251	14,608	14,587	8,219	8,485	586,213	281,323
33,844	33,609	84,012	51,042	74	1,774	117,930	86,425
597,230	291,860	98,620	65,629	8,293	10,259	704,143	367,748



**Responsibility
Statements**

Responsibility Statements pursuant to section 154-bis, paragraph 5°, Legislative decree 58/98

1. We, the undersigned Ennio Doris, Chief Executive Officer, and Luigi Del Fabbro, Chief Financial Officer responsible for Mediolanum S.p.A. accounting and financial reporting, also pursuant to section 154 bis, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998, hereby confirm to the best of our knowledge:
 - the adequacy in relation to the characteristics of the business and
 - the effective application of accounting and financial reporting procedures in the preparation of the condensed set of financial statements for the first half of 2010.

2. The adequacy of accounting and financial reporting procedures for the preparation of the condensed set of financial statements for the six month period ended June 30, 2010 was verified applying a process defined by Mediolanum S.p.A. in accordance with the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, which is an internationally accepted framework.

3. We also confirm that:
 - 3.1 the condensed set of financial statements for the first half of 2010:
 - a) has been prepared in accordance with the International Accounting and Financial Reporting Standards (IAS/IFRS) endorsed by the European Commission pursuant to the European Parliament and Council Regulation (EC) 1606 of July 19, 2002, as well as the regulations implementing section 9 of Legislative Decree 38/2005;
 - b) reflects the accounting entries and records;
 - c) gives a true and fair view of the financial position, result of operations and cash flows of the issuer and the companies included in the consolidated financial statements;

 - 3.2 the interim management report contains reliable information on main events which took place in the first six months of the year and their impact on accounts, description of principal risks and uncertainties for the rest of the year and disclosure of related party transactions.

Basiglio, July 27, 2010

Chief Executive Officer
(*Ennio Doris*)

Chief Financial Officer
(*Luigi Del Fabbro*)

