

September 11, 2006

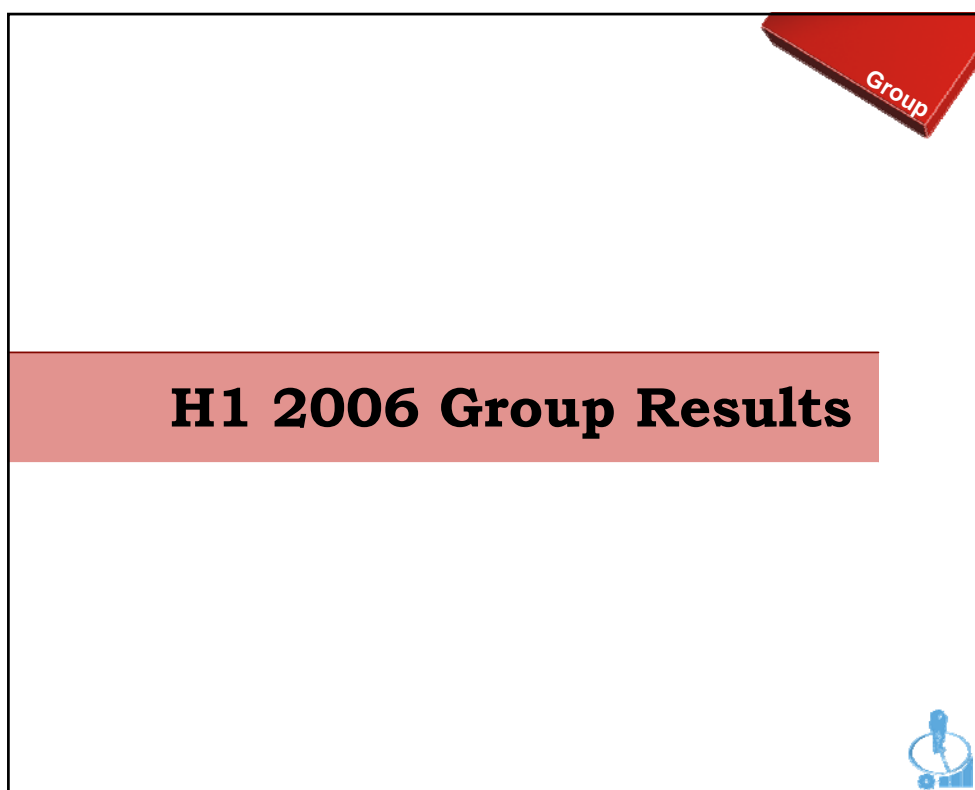

H1 2006 Results



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Highlights

	AuA	€31.1 bn	+10%
	Profit before Tax	€ 139 mn	-6%
	Performance Fees	€ 33 mn	-42%
	Profit before Tax excl. Performance Fees	€ 106 mn	+17%
	Net Income	€ 106 mn	-8%
	Embedded Value	€ 2,974 mn	+6%
	New Business Value	€ 151 mn	+64%
	Gross Inflows	€ 4,225 mn	+47%
	Net Inflows	€ 1,218 mn	+30%
	Dedicated Network	6,225	+15%

Income Statement

€mn

	H106	H105	Change
Net premiums written	1,652.5	1,262.0	+31%
Total commission income	290.9	252.9	+15%
Financial margin	33.1	41.8	-21%
Net income on other investments*	16.4	15.5	+6%
Other revenues	12.3	15.3	-20%
Total Revenues	2,005.2	1,587.5	+26%
Amounts paid & change in reserves	(1,543.4)	(1,171.8)	-32%
Acquisition costs & other commissions	(174.6)	(125.6)	-39%
G&A expenses	(130.7)	(125.4)	-4%
Other	(17.5)	(16.8)	-5%
PROFIT BEFORE TAX	139.0	148.0	-6%
Tax	(33.4)	(32.9)	-2%
NET INCOME	105.5	115.1	-8%

* Banca Esperia included using the equity method (€3mn)

Income Statement in detail

€mn

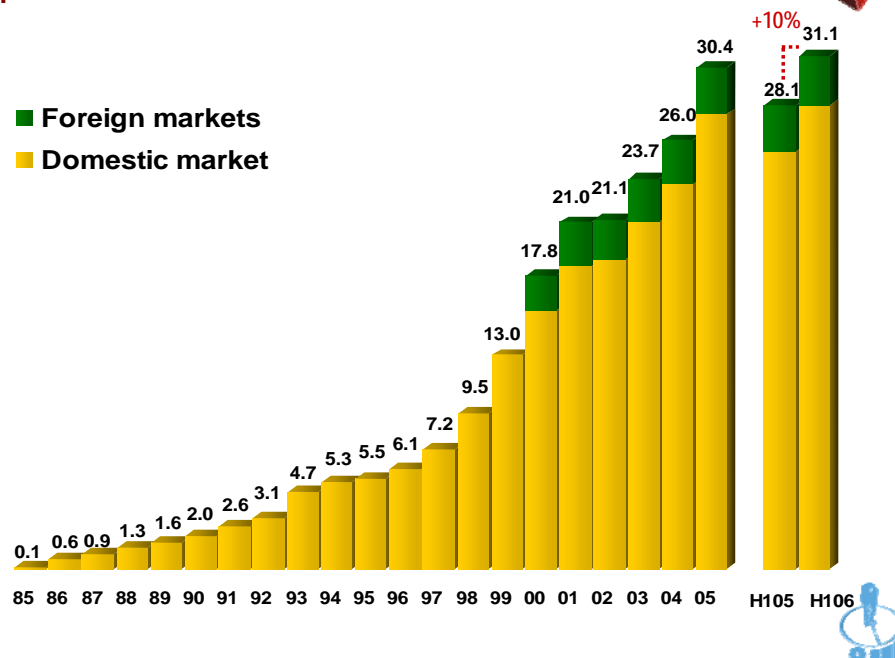
	H106	H105	Change
Net premiums written	1,652.5	1,262.0	+31%
Entry fees	37.4	17.8	+110%
Management fees	156.7	123.5	+27%
Performance fees	33.3	58.0	-42%
Bank service fees & other income	37.1	35.4	+5%
Other fees	26.4	18.4	+44%
Total commission income	290.9	252.9	+15%
Interest income & similar revenues	81.3	69.1	+18%
Interest expense & similar charges	(38.4)	(38.9)	+1%
Net profit on investments at fair value	(9.8)	11.7	-184%
Financial margin	33.1	41.8	-21%
Net income on other investments*	16.4	15.5	+6%
Other revenues	12.3	15.3	-20%
Total Revenues	2,005.2	1,587.5	+26%
Amounts paid & change in reserves	(1,543.4)	(1,171.8)	-32%
Acquisition costs & other commissions	(174.6)	(125.6)	-39%
Net adjustments to financial investments	(0.5)	(1.7)	+70%
G&A expenses	(130.7)	(125.4)	-4%
Amortisation & depreciation	(11.0)	(11.4)	+3%
Provision for risks & charges	(6.0)	(3.6)	-64%
PROFIT BEFORE TAX	139.0	148.0	-6%
Tax	(33.4)	(32.9)	-2%
NET INCOME	105.5	115.1	-8%

* Banca Esperia included using the equity method (€3mn)

AUA Growth

€bn

■ Foreign markets
■ Domestic market



Assets under Administration

€mn

	30/06/06	30/06/05	Change
Life	12,596.9	11,310.5	+11%
Asset management	14,339.5	12,254.6	+17%
Bank	4,794.6	4,528.4	+6%
Consolidation adjustments	(6,660.1)	(5,327.5)	-25%
'Banca Esperia' (48.5%)	3,022.5	2,573.4	+17%
Domestic Market's Assets	28,093.4	25,339.3	+11%
Life	366.2	266.7	+37%
Asset management	1,097.8	1,102.9	+0%
Bank	1,513.3	1,411.9	+7%
Other	241.8	281.1	-14%
Consolidation adjustments	(250.8)	(255.2)	+2%
Foreign Markets' Assets	2,968.3	2,807.4	+6%
AUA	31,061.7	28,146.7	+10%

Gross Inflows			
€mn			
	H106	H105	Change
Gross premiums written	1,669.9	1,319.4	+27%
Asset management products	2,382.1	1,370.7	+74%
Managed Savings	4,052.0	2,690.1	+51%
Administered Savings	173.2	175.1	-1%
GROSS INFLOWS	4,225.2	2,865.2	+47%

Net Inflows			
€mn			
	H106	H105	Change
Life premiums	740.8	662.9	+12%
Asset management products	307.7	111.7	+175%
Managed Savings	1,048.5	774.6	+35%
Administered Savings	169.1	165.1	+2%
NET INFLOWS	1,217.6	939.7	+30%

Sales Network			
	30/06/06	30/06/05	Change
Italy: Banca Mediolanum	5,658	4,835	+17%
Spain: Fibanc	522	495	+5%
Germany: B.A. Lenz	45	80	-44%
Full-Time Dedicated Advisors	6,225	5,410	+15%
Spain: Fibanc part-time agents	133	129	+3%
Italy: Partner Time	546	823	-34%
Germany: Gamax	162	146	+11%
Part-Time Advisors	841	1,098	-23%
TOTAL SALES NETWORK	7,066	6,508	+9%

Domestic Market

H1 2006 Results:
Domestic Market

Assets under Administration			
€mn			
	30/06/06	30/06/05	Change
Life	12,596.9	11,310.5	+11%
Asset management	14,339.5	12,254.6	+17%
Consolidation adjustments	(6,660.1)	(5,327.5)	-25%
Managed Savings Assets	20,276.3	18,237.6	+11%
Bank	4,794.6	4,528.4	+6%
Administered Savings Assets	4,794.6	4,528.4	+6%
BANCA MEDIOLANUM	25,070.9	22,765.9	+10%
BANCA ESPERIA (48.5%)	3,022.5	2,573.4	+17%

Gross Inflows			
€mn			
	H106	H105	Change
Gross premiums written	1,580.3	1,271.3	+24%
Asset management products	1,647.2	719.5	+129%
Managed Savings	3,227.5	1,990.9	+62%
Securities	50.9	102.1	-50%
Cash	18.7	49.2	-62%
Repurchase agreements	40.1	11.5	+248%
Administered Savings	109.7	162.8	-33%
Other	10.3	10.8	-5%
BANCA MEDIOLANUM	3,347.5	2,164.4	+55%
BANCA ESPERIA (48.5%)	544.7	474.3	+15%

Net Inflows			
€mn			
	H106	H105	Change
Life premiums	679.1	624.6	+9%
Asset management products	113.6	(58.8)	+293%
Managed Savings	792.7	565.8	+40%
Securities	50.9	102.1	-50%
Cash	18.7	49.2	-62%
Repurchase agreements	40.1	11.5	+248%
Administered Savings	109.7	162.8	-33%
BANCA MEDIOLANUM	902.4	728.5	+24%
BANCA ESPERIA (48.5%)	272.6	200.3	+36%

Income Statement			
€mn			
	H106	H105	Change
Net premiums written	1,571.6	1,258.3	+25%
Total commission income	256.6	221.1	+16%
Financial margin	28.8	37.4	-23%
Net income on other investments*	16.3	14.8	+10%
Other revenues	12.3	14.2	-14%
Total Revenues	1,885.5	1,545.9	+22%
Amounts paid & change in reserves	(1,471.0)	(1,168.6)	-26%
Acquisition costs & other commissions	(149.5)	(108.5)	-38%
G&A expenses	(110.0)	(104.5)	-5%
Other	(15.1)	(14.4)	-4%
PROFIT BEFORE TAX	139.9	149.8	-7%
Tax	(32.9)	(32.4)	-2%
NET INCOME	107.0	117.4	-9%

* Banca Esperia included using the equity method (€3mn)

Income Statement in detail

€ mn

	H106	H105	Change
Net premiums written	1,571.6	1,258.3	+25%
Entry fees	33.0	15.4	+114%
Management fees	147.2	114.6	+28%
Performance fees	32.3	55.6	-42%
Bank service fees & other income	20.4	19.4	+5%
Other fees	23.7	16.1	+48%
Total commission income	256.6	221.1	+16%
Interest income & similar revenues	76.0	65.4	+16%
Interest expense & similar charges	(37.6)	(39.7)	+5%
Realised trading profit/loss	(9.6)	11.8	-181%
Financial margin	28.8	37.4	-23%
Net income on other investments*	16.3	14.8	+10%
Other revenues	12.3	14.2	-14%
Total Revenues	1,885.5	1,545.9	+22%
Amounts paid & change in reserves	(1,471.0)	(1,168.6)	-26%
Acquisition costs & other commissions	(149.5)	(108.5)	-38%
Net adjustments to financial investments	0.0	(1.6)	+101%
G&A expenses	(110.0)	(104.5)	-5%
Amortisation & depreciation	(9.5)	(9.3)	-3%
Provision for risks & charges	(5.5)	(3.6)	-55%
PROFIT BEFORE TAX	139.9	149.8	-7%
Tax	(32.9)	(32.4)	-2%
NET INCOME	107.0	117.4	-9%

* Banca Esperia included using the equity method (€3mn)



Profit by Segment

€ mn

	H106	H105	Change
Life	76.1	87.8	-13%
Asset Management	55.5	63.3	-12%
Bank	4.9	0.4	n.s.
Other	3.4	(1.7)	n.s.
PROFIT BEFORE TAX	139.9	149.8	-7%



Life Gross Premiums Written

€mn

	H106	H105	Change
U-L Pension plans*	54.4	52.2	+4%
U-L Investment policies (Life Funds, Alternative Funds)	47.3	27.6	+72%
Recurring policies (AP)	101.7	79.8	+28%
Trad/Group/Investment policies	3.9	4.2	-6%
U-L policies (Alternative Funds, Life Funds)	244.6	149.9	+63%
I-L policies (Dipiù)	691.8	597.1	+16%
Single premium policies (SP)	940.3	751.2	+25%
TOTAL NEW BUSINESS	1,042.0	830.9	+25%
Pension plans in-force	378.6	344.9	+10%
Investment policies in-force	159.7	95.1	+68%
TOTAL IN-FORCE BUSINESS	538.4	440.0	+22%
TOTAL GROSS PREMIUMS WRITTEN	1,580.3	1,271.0	+24%
<i>o/w Life financial contracts</i>	<i>6.1</i>	<i>9.8</i>	<i>-38%</i>
<i>o/w equity on U-L products</i>	<i>47.5%</i>	<i>66.0%</i>	<i>-28%</i>

* Includes automatic increase in premiums & discretionary increases paid

Life Recurring Policies in detail

€mn

	H106	H105	Change
U-L Pension plans (My Pension)	29.1	28.0	+4%
<i>o/w automatic increase in premiums</i>	<i>5.0</i>	<i>4.9</i>	<i>+3%</i>
<i>o/w discretionary increase in premiums already paid</i>	<i>5.3</i>	<i>4.6</i>	<i>+14%</i>
U-L Pension plans (Europension)	24.3	22.9	+6%
<i>o/w automatic increase in premiums</i>	<i>8.3</i>	<i>8.4</i>	<i>-1%</i>
<i>o/w discretionary increase in premiums already paid</i>	<i>6.1</i>	<i>6.6</i>	<i>-7%</i>
Traditional Pension plans	1.0	1.2	-19%
<i>o/w automatic increase in premiums</i>	<i>0.7</i>	<i>1.2</i>	<i>-39%</i>
Total Pension plans	54.4	52.2	+4%
U-L Investment policies (Life Funds, Alternative Funds)	47.3	27.6	+72%
<i>o/w automatic increase in premiums</i>	<i>2.2</i>	<i>1.6</i>	<i>+39%</i>
RECURRING POLICIES	101.7	79.8	+28%
<i>- o/w automatic increase in premiums</i>	<i>16.3</i>	<i>16.1</i>	<i>+1%</i>
<i>- o/w discretionary increase in premiums already paid*</i>	<i>11.4</i>	<i>11.3</i>	<i>+1%</i>
Total increase in premiums	27.7	27.4	+1%

* NB: Tillinghast's margin calculation takes into account €16.4mn for H106 & €9.4mn for H105

Life Policyholders' Assets

€mn

Domestic Market

	30/06/06	30/06/05	Change
Traditional	1,224.5	1,186.2	+3%
Index-linked*	4,949.4	4,875.6	+2%
Unit-linked	6,422.9	5,248.7	+22%
<i>o/w equity</i>	76%	76%	+1%
LIFE ASSETS	12,596.9	11,310.5	+11%

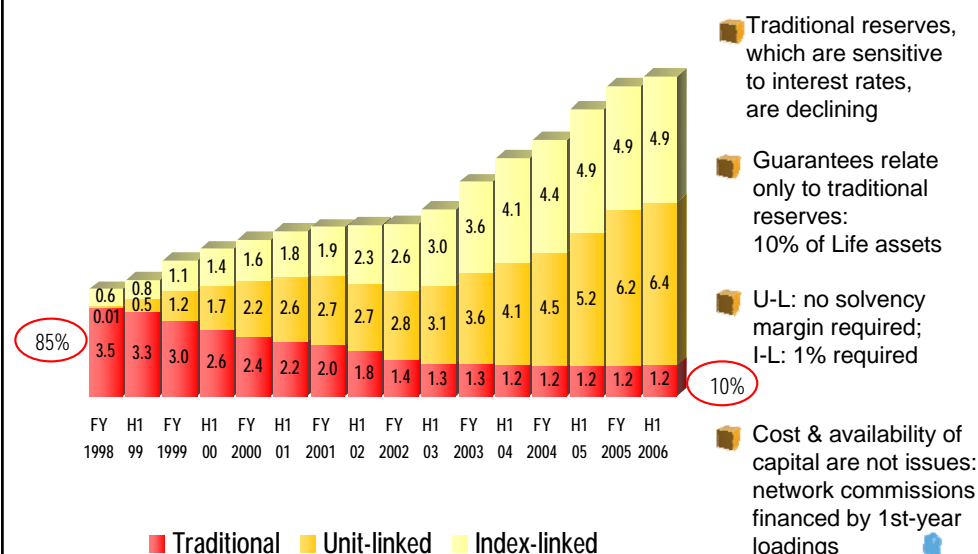
* Life financial contracts → 2006: €827mn, 2005: €1.037mn



Life Policyholders' Assets Trend

€bn

Domestic Market



Life Commission Income

€mn

Domestic
Market

	Unit-linked Products Commission Income			Total Commission Income*		
	H106	H105	Change	H106	H105	Change
Entry fees	---	---	---	33.0	15.4	+114%
Management fees	69.3	50.8	+36%	147.2	114.6	+28%
Performance fees	14.4	25.3	-43%	32.3	55.6	-42%
TOTAL	83.6	76.1	+10%	212.5	185.6	+14%

* on all products with mutual fund underlying



Life Amounts Paid & Change in Reserves

€mn

Domestic
Market

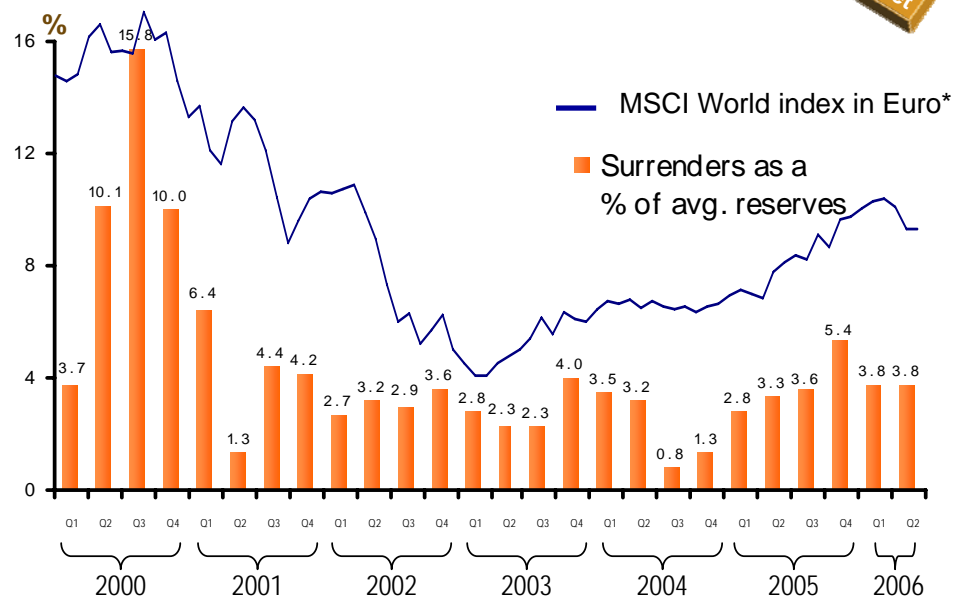
	H106	H105	Change
Claims & maturities	461.1	334.9	+38%
Natural surrenders	379.7	229.7	+65%
Surrenders from transformation	60.4	20.9	+189%
Amounts paid	901.2	585.5	+54%
Change in reserves	573.4	586.7	-2%
Recovery from reinsurance	(3.6)	(3.6)	+1%
AMOUNTS PAID & CHANGE IN RESERVES	1,471.0	1,168.6	+26%



Life

Investment Pol. Surrenders Trend

Domestic Market



* source: Datastream

Life

Surrenders

expressed as a % of the reserves

Domestic Market

	H106	H105	Change
Traditional Investment policies o/w natural surrenders	5.2% 5.2%	4.8% 3.8%	+8% +37%
U-L Investment policies o/w natural surrenders	11.0% 7.8%	6.4% 6.4%	+72% +22%
SURRENDERS OF INVEST. POLICIES o/w natural surrenders	10.5% 7.6%	6.2% 6.1%	+69% +25%
Traditional Pension plans o/w natural surrenders	1.0% 1.0%	1.9% 1.0%	-47% +0%
U-L Pension plans o/w natural surrenders	2.9% 2.7%	2.3% 2.0%	+26% +35%
SURRENDERS OF PENSION PLANS o/w natural surrenders	2.6% 2.4%	2.2% 1.8%	+18% +33%

Profit by Segment

€mn

Domestic
Market

	H106	H105	Change
Life	76.1	87.8	-13%
Asset Management	55.5	63.3	-12%
Bank	4.9	0.4	n.s.
Other	3.4	(1.7)	n.s.
PROFIT BEFORE TAX	139.9	149.8	-7%



Asset Management Gross Inflows

€mn

Domestic
Market

	H106	H105	Change
Equity funds	474.0	282.4	+68%
Bond funds	223.4	128.7	+74%
Monetary funds	246.9	195.8	+26%
Total 'unbundled' mutual funds	944.3	606.9	+56%
'Elite' funds of funds	57.4	18.2	+215%
'Mix' accounts	116.4	62.7	+86%
'Chorus' managed accounts	31.9	31.8	+0%
'Portfolio' funds of funds	277.0	---	n.s.
Total 'bundled' mutual funds	482.6	112.7	+328%
<i>o/w equity</i>	<i>313.7</i>	<i>78.7</i>	<i>+298%</i>
Real Estate	220.3	---	n.s.
TOTAL GROSS INFLOWS INTO A. M. PRODUCTS	1,647.2	719.5	+129%
<i>o/w equity</i>	<i>55.2%</i>	<i>50.2%</i>	<i>+10%</i>



Asset Management Assets*

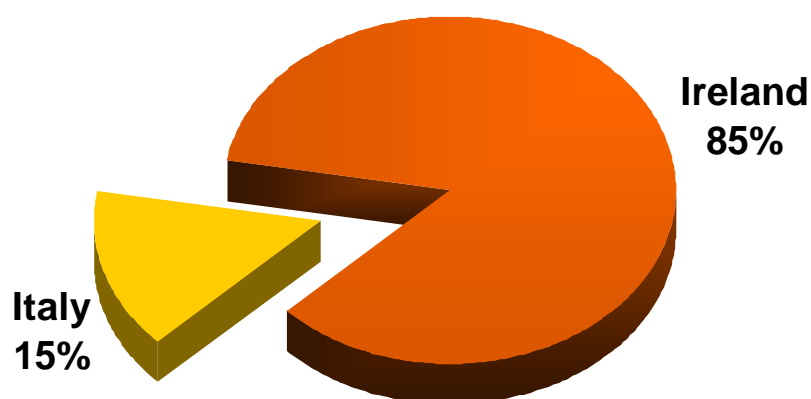
€ mn

	30/06/06	30/06/05	Change
Equity funds	8,750.0	7,611.9	+15%
Bond funds	2,098.7	1,986.1	+6%
Monetary funds	1,067.2	886.6	+20%
Total 'unbundled' mutual funds	11,915.8	10,484.6	+14%
'Elite' funds of funds	168.4	108.9	+55%
'Mix' accounts	1,465.2	1,505.3	-3%
'Chorus' managed accounts	1,342.2	1,678.3	-20%
'Portfolio' funds of funds	434.4	---	n.s.
Funds of hedge funds	300.4	---	n.s.
Total 'bundled' mutual funds	3,710.6	3,292.5	+13%
<i>o/w equity</i>	2,533.6	2,452.9	+3%
'Real Estate' funds & 'other'	314.1	91.4	+244%
<i>Adj. for own mutual funds in managed accts</i>	(1,601.1)	(1,614.0)	+1%
ASSET MANAGEMENT ASSETS	14,339.5	12,254.6	+17%
<i>o/w equity</i>	72.2%	73.1%	-1%

* including U-L assets

Asset Management Assets* by Location

as at 30.06.06



* €14.340mn (including U-L assets)

Asset Management Commission Income

€mn

Domestic
Market

	A.M. Products Commission Income			Total Commission Income*		
	H106	H105	Change	H106	H105	Change
Entry fees	33.0	15.4	+114%	33.0	15.4	+114%
Management fees	77.9	63.8	+22%	147.2	114.6	+28%
Performance fees	18.0	30.3	-41%	32.3	55.6	-42%
TOTAL	128.8	109.5	+18%	212.5	185.6	+14%

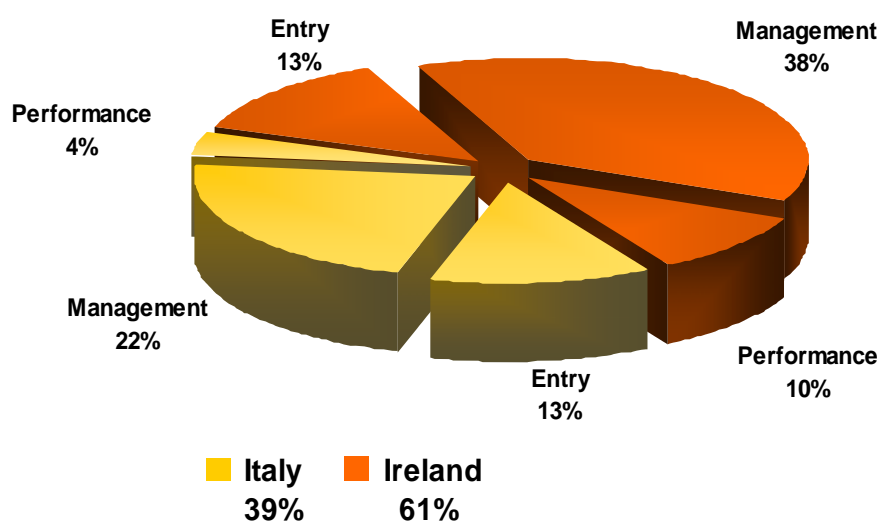
* on all products with mutual fund underlying



Asset Management Commission Income* by Location

as at 30.06.06

Domestic
Market



* on all products with mutual fund underlying



Profit by Segment

€mn

Domestic
Market

	H106	H105	Change
Life	76.1	87.8	-13%
Asset Management	55.5	63.3	-12%
Bank	4.9	0.4	n.s.
Other	3.4	(1.7)	n.s.
PROFIT BEFORE TAX	139.9	149.8	-7%



Bank Assets

€mn

Domestic
Market

	30/06/06	30/06/05	Change
Cash under deposit	2,930.7	2,624.6	+12%
Securities under deposit	1,656.7	1,766.8	-6%
Repurchase agreements	207.1	132.0	+57%
Subordinated loans	---	4.9	n.s.
BANK ASSETS	4,794.6	4,528.4	+6%



Bank Revenues

€mn

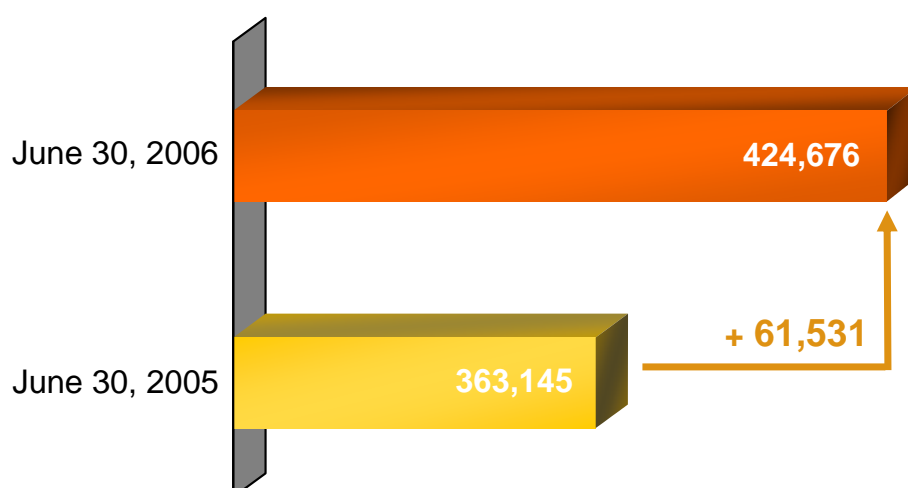
Domestic Market

	H106	H105	Change
Financial Margin	36.1	30.5	+18%
Securities	6.4	5.9	+8%
Service fees	14.0	13.5	+3%
o/w fees from 3rd party mortgages	1.7	2.2	-22%
Service Fees & Other Income	20.4	19.4	+5%
BANK REVENUES	56.5	49.9	+13%



Bank Bank Accounts

Domestic Market



Costs

€mn

Domestic
Market

	H106	H105	Change
Amounts paid & change in reserves	(1,471.0)	(1,168.6)	-26%
Acquisition costs*	(135.6)	(97.8)	-39%
3rd party A.M. fees & other expenses	(13.9)	(10.7)	-30%
Net adjustments to financial investments	0.0	(1.6)	+101%
G&A expenses*	(110.0)	(104.5)	-5%
Depreciation, amortisation & provisions	(15.1)	(12.9)	-17%

* includes '4Freedoms' expenses



Financial Margin & Net Income on Other Investments

€mn

Domestic
Market

	H106	H105	Change
Bank	36.1	30.5	+18%
Life	(4.2)	9.5	n.s.
Other	(3.1)	(2.5)	-21%
FINANCIAL MARGIN	28.8	37.4	-23%
Bank	---	---	n.s.
Life	9.8	12.4	-21%
Other*	6.5	2.4	+170%
NET INCOME ON OTHER INVESTMENTS	16.3	14.8	+10%

* Banca Esperia included using the equity method (€3mn)



Dedicated Sales Network

Domestic
Market

	30/06/06	30/06/05	Change
Licensed Financial Advisors	3,954	3,980	-1%
Non-licensed Financial Advisors	1,704	855	+99%
BANCA MEDIOLANUM	5,658	4,835	+17%
<i>o/w Financial Executives</i>	721	742	-3%



Primary Account Holders

Domestic
Market

	30/06/06	30/06/05	Change
Life	605,000	602,700	+0%
Asset Management	274,000	273,600	+0%
Bank	397,300	332,600	+19%
Other	61,000	61,200	+0%
Primary account holders (unduplicated)	814,900	788,000	+3%



Total Account Holders

Domestic
Market

	30/06/06	30/06/05	Change
Life	605,000	602,700	+0%
Asset Management	409,200	415,500	-2%
Bank	596,400	506,700	+18%
Other	63,400	63,500	+0%
Total account holders	963,800	926,600	+4%



Banca Esperia (100%) Highlights

€mn

Domestic
Market

	H106	H105	Change
Profit before Tax	11.3	7.8	+45%
Net Income	6.2	4.6	+36%
<i>o/w Mediolanum share</i>	3.0	2.2	+36%
Assets under Administration	6,232	5,306	+17%
<i>% in Managed Assets</i>	81.5%	83.5%	-2%
Gross Inflows	1,123	978	+15%
<i>o/w Managed Savings</i>	976	953	+2%
Net Inflows	562	413	+36%
<i>o/w Managed Savings</i>	415	388	+7%
Clients	2,233	1,937	+15%
Private Bankers	56	49	+14%



H1 2006 Results: Foreign markets



Income Statement

€mn

	H106	H105	Change
Net premiums written	80.9	3.7*	n.s.
Total commission income	34.7	31.8*	+9%
Financial margin	4.3	4.4	-1%
Net income on other investments	0.1	0.7	-84%
Other revenues	0.5	1.1	-54%
Total Revenues	120.5	41.7	+189%
Amounts paid & change in reserves	(72.4)	(3.2)*	n.s.
Acquisition costs & other commissions	(25.5)	(17.1)*	-49%
G&A expenses	(21.1)	(20.9)	-1%
Other	(2.5)	(2.3)	-8%
PROFIT BEFORE TAX	(1.0)	(1.8)	+47%
Tax	(0.6)	(0.5)	-8%
NET INCOME	(1.5)	(2.4)	+35%

* €41.5 mn reclassified as Life financial contracts in accordance with IFRS – impacting 'Commission Income' & indicated costs



Income Statement in detail

€mn

	H106	H105	Change
Net premiums written	80.9	3.7*	n.s.
Entry fees	4.5	2.4	+88%
Management fees	9.5	8.9	+7%
Performance fees	1.0	2.4	-59%
Bank service fees & revenues	16.7	15.9	+5%
Other fees	3.0	2.3*	+33%
Total commission income	34.7	31.8	+9%
Interest income & similar revenues	9.0	8.6	+4%
Interest expense & similar charges	(4.5)	(4.1)	-10%
Realised trading profit/loss	(0.1)	(0.2)	+13%
Financial margin	4.3	4.4	-1%
Net income on other investments	0.1	0.7	-84%
Other revenues	0.5	1.1	-54%
Total Revenues	120.5	41.7	+189%
Amounts paid & change in reserves	(72.4)	(3.2)*	n.s.
Acquisition costs & other commissions	(25.5)	(17.1)*	-49%
Net adjustments to financial investments	(0.5)	(0.1)	-310%
G&A expenses	(21.1)	(20.9)	-1%
Amortisation & depreciation	(1.5)	(2.1)	+30%
Provision for risks & charges	(0.5)	(0.1)	-514%
PROFIT BEFORE TAX	(1.0)	(1.8)	+47%
Tax	(0.6)	(0.5)	-8%
NET INCOME	(1.5)	(2.4)	+35%

* €41.5 mn reclassified as Life financial contracts in accordance with IFRS – impacting 'Other fees' & indicated costs



Spain Income Statement

€mn

	H106	H105	Change
Total revenues	97.9	24.2	+305%
Total costs	(95.8)	(24.0)	-300%
Operating Result	2.1	0.2	+904%
Capital gain	0.1	0.7	-84%
Profit before Tax	2.2	0.9	+147%
Tax	(0.4)	(0.3)	-22%
SPAIN NET INCOME	1.9	0.6	+207%



Spain Assets under Administration

€mn

	30/06/06	30/06/05	Change
Life & pension funds	340.9	249.2	+37%
Asset Management	734.9	707.4	+4%
Bank	1,492.0	1,387.9	+8%
Other*	---	80.6	n.s.
Consolidation adjustments	(250.7)	(255.2)	+2%
SPAIN AUA	2,317.1	2,169.7	+7%

* due to the disposal of 'Valora S.A.'



Spain Gross Inflows

€mn

	H106	H105	Change
Gross premiums written	82.4	45.3	+82%
o/w recurring policies (AP)	5.7	3.7	+53%
o/w single premium policies (SP)	76.7	41.5*	+85%
Asset management products	186.7	133.3	+40%
Managed Savings	269.1	178.6	+51%
Securities	(27.5)	9.7	n.s.
Cash	24.2	(1.3)	n.s.
Administered Savings	(3.3)	8.4	n.s.
SPAIN GROSS INFLOWS	265.7	187.0	+42%

* Life financial contracts



Spain Net Inflows

€mn



	H106	H105	Change
Life premiums	55.0	35.3	+56%
Asset management products	21.1	4.5	+369%
Managed Savings	76.1	39.7	+91%
Securities	(27.5)	9.7	n.s.
Cash	19.9	(11.3)	n.s.
Administered Savings	(7.5)	(1.6)	n.s.
SPAIN NET INFLOWS	68.6	38.2	+80%



Spain Dedicated Sales Network



	30/06/06	30/06/05	Change
Financial Advisors (Mediolanum model)	470	427	+10%
Commercial Agents (Traditional model)	52	68	-23%
FIBANC	522	495	+5%



Spain Embedded Value

€mn

Foreign
Markets

	H106	FY05	H105
VIF Life & A.M.	24	19	19
New Business Life & A.M.	9	9	3



Germany - B.A. Lenz Highlights

€mn

Foreign
Markets

	H106	H105	Change
Net Income	(3.8)	(4.7)	+21%
Assets under Administration	59.1	50.2	+18%
<i>o/w Managed Savings</i>	36.2	24.7	+47%
Gross Inflows	7.8	(2.8)	n.s.
Net Inflows	3.4	(4.0)	n.s.
<i>o/w Managed Savings</i>	7.8	4.1	+91%
<i>o/w Administered Savings</i>	(4.4)	(8.2)	+46%
Financial Advisors	45	80	-44%
Customers	4,495	4,992	-10%
<i>with Managed Savings products</i>	2,549	2,189	+16%



Germany - Gamax Highlights

€mn



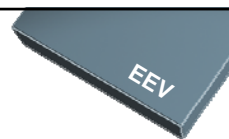
	H106	H105	Change
Net Income	0.6	2.4	-75%
Assets under Administration <i>o/w Gamax funds</i>	592.1 351.9	587.6 388.4	+1% -9%
Gross Inflows <i>o/w Gamax funds</i>	59.6 18.5	42.6 22.3	+40% -17%
Net Inflows <i>o/w Gamax funds</i>	(29.4) (29.4)	(23.3) (23.3)	-26% -26%







H1 2006 Results: European Embedded Value



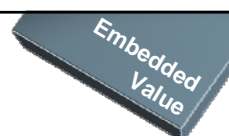
EEV Methodology Applied



-  A **bottom-up, market consistent** approach has been used
-  With explicit allowance for both **financial** and **non-financial risks**
-  Considering the cost of holding required capital
-  All **H105** figures have been **restated** according to EEV methodology



Economic Assumptions



	H106	FY05	H105
Investment return (pre-tax)			
Liquidity	2.90%	2.40%	2.00%
Long-term bonds	4.30%	3.50%	3.40%
Equity	7.10%	6.30%	6.15%
Own portfolio			
Segregated funds	4.00%	3.70%	4.00%
Unit-linked funds	5.70%	5.00%	4.62%
Asset management	5.95%	5.20%	5.05%
Inflation			
CPI	1.75%	1.75%	2.00%
Expenses	2.25%	2.25%	2.50%
Tax rate			
Italy	38.25%	38.25%	38.25%
Ireland	12.50%	12.50%	12.50%
Spain	35.00%	35.00%	35.00%
Avg. Risk Discount Rate (In-force Business)	6.62%	5.80%	5.48%



Components of the EEV Derived Risk Discount Rates

Embedded Value

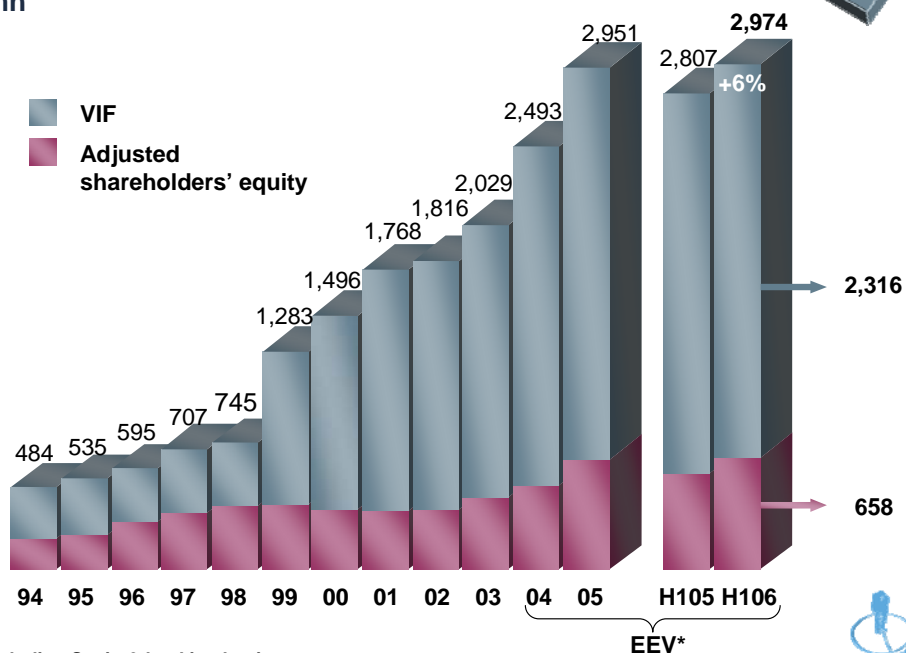
	H106	FY05	H105
Unit-Linked			
Risk-free rate	4.45%	3.60%	3.55%
Margin for financial risk	0.65%	0.85%	0.60%
Margin for non-financial risk	1.40%	1.20%	1.30%
Risk Discount Rate	6.50%	5.65%	5.45%
Asset Management			
Risk-free rate	4.25%	3.40%	3.10%
Margin for financial risk	2.05%	2.30%	2.05%
Margin for non-financial risk	0.95%	0.80%	0.75%
Risk Discount Rate	7.25%	6.50%	5.90%
Bank			
Risk-free rate	4.15%	3.45%	3.25%
Margin for financial risk	---	---	---
Margin for non-financial risk	2.15%	2.15%	1.95%
Risk Discount Rate	6.30%	5.60%	5.20%



Embedded Value Growth

€mn

EEV



Embedded Value

€mn

	H106	FY05	H105
Published shareholders' net assets	809	808	744
Adjustments to net assets	(151)	(160)	(174)
Adjusted shareholders' net assets	658	648	570
Italy - VIF Life Business	1,791	1,785	1,749
Italy - VIF A.M. Business	381	399	386
Italy - VIF Banking Business	120	100	83
Spain - VIF Life Business	11	8	8
Spain - VIF A.M. Business	13	11	11
Value of In-force Business	2,316	2,303	2,237
EV Embedded Value	2,974	2,951	2,807

Embedded Value Earnings

€mn

	H106	FY05	H105
Change in EV over the year	23	458	314
Dividends paid	83	163	102
Other capital movements	(2)	(7)	(4)
EV Earnings	104	614	412

EV Earnings Components (1): Earnings on Initial EV

€mn

	H106	FY05	H105
Expected return on EV - unwind	76	143	71
Operating assumption changes	---	(43)	(8)
Economic assumption changes	(29)	31	94
Experience variances	(94)	259	163
Earnings on Initial EV	(47)	390	320
Value-added New Business	151	224	92
EV Earnings	104	614	412



EV Earnings: Experience Variances

€mn

	H106	FY05	H105
Investment return variance on NAV	(73)	213	134
Asset mix variance	(5)	4	8
Banking mix variance	2	10	4
Performance fees variance	16	102	37
Expenses variance	---	(28)	(7)
Persistency/paid-ups variance	(31)	(28)	(16)
Other operation net profits/loss variance	4	13	1
Internal rebates restructuring	---	(20)	---
Other	(7)	(7)	2
EV Experience Variances	(94)	259	163



EV Earnings Components (2): Value-added New Business

€mn

	H106	FY05	H105
Earnings on Initial EV	(47)	390	320
Life New Business	110	162	77
o/w AP	68	115	56
o/w SP	42	47	21
A.M. New Business	32	52	11
Banking New Business	9	10	3
SP Policies Transformation	---	---	1
Value-Added New Business	151	224	92
EV Earnings	104	614	412



New Business Margins Unit-Linked*

€mn

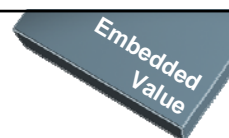
	H106	FY05	H105
Value of New Business - 'moment of sale'	81	129	63
Recurring premiums	90	145	62
Single premiums	243	311	151
APE	115	176	77
New Business margin (%APE)	70.8%	73.3%	82.5%
Net present value NB (PVNBP)	962	1,551	701
New Business margin (%PVNBP)	8.4%	8.3%	9.0%

* Spain not included



New Business Margins Index-Linked*

€mn



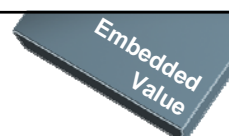
	H106	FY05	H105
Value of New Business - 'moment of sale'	19	21	10
Recurring premiums	---	---	---
Single premiums	612	835	454
APE	61	84	45
New Business margin (%APE)	30.9%	25.1%	22.0%
Net present value NB (PVNBP)	612	835	454
New Business margin (%PVNBP)	3.1%	2.5%	2.2%

* Spain not included



New Business Margins Asset Management*

€mn



	H106	FY05	H105
Value of New Business - 'moment of sale'	31	49	11
Instalment plans	45	85	23
Lump sum investments	828	1,408	438
APE	128	226	67
New Business margin (%APE)	24.4%	21.7%	16.8%
Net present value NB (PVNBP)	1,091	1,891	581
New Business margin (%PVNBP)	2.9%	2.6%	1.9%

* Spain not included



Life New Business Margins*

€mn

Embedded
Value

	H106	FY05	H105
Value of New Business - 'moment of sale'	100	150	73
APE	176	260	122
New Business margin (%APE)	56.9%	57.8%	60.0%
Net present value NB (PVNBP)	1,575	2,386	1,155
New Business margin (%PVNBP)	6.4%	6.3%	6.3%

* Spain not included



Value of New Business at 'moment of sale'

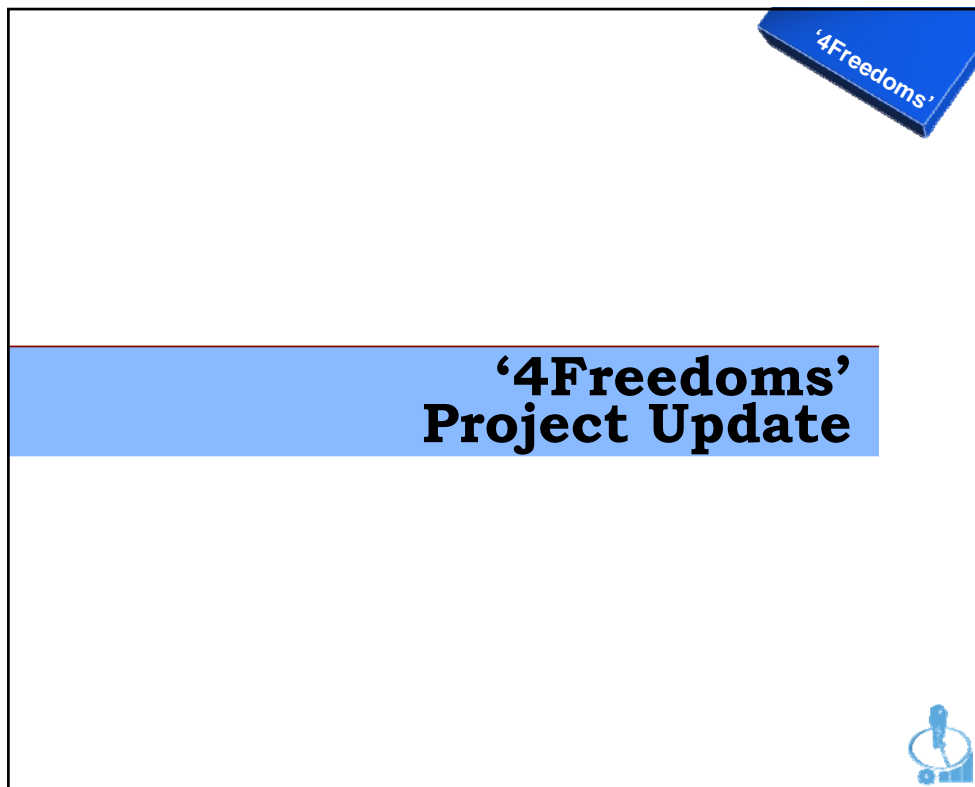
including Spain


€mn

Embedded
Value

	H106	FY05	H105
Unit-Linked	86	133	66
Index-Linked	22	25	11
Asset Management	32	50	11
Banking	9	10	3
Value of New Business	149	218	91









Mediolanum's growth strategy

'4Freedoms' marketing initiative

- ▶ **Objective:** increase number of customers who have a bank account with us & use it actively
- ▶ **Fact:** customers keep invest their assets where they keep their bank account
- ▶ **Fact:** it's common to have more than one bank account and to spread assets among them
- ▶ **Our model:** multi-channel, branchless & incorporates human touch, offers a 'low or no cost' account, high service delivery & flexibility, with no dependence on 'proximity'
- ▶ **Experience:** customers who use our bank account as their primary one close other accounts & shift assets to us



Strategy rationale: our 'active' bank customers have 4 – 6 times greater assets than those without our bank account



Key drivers of our growth strategy



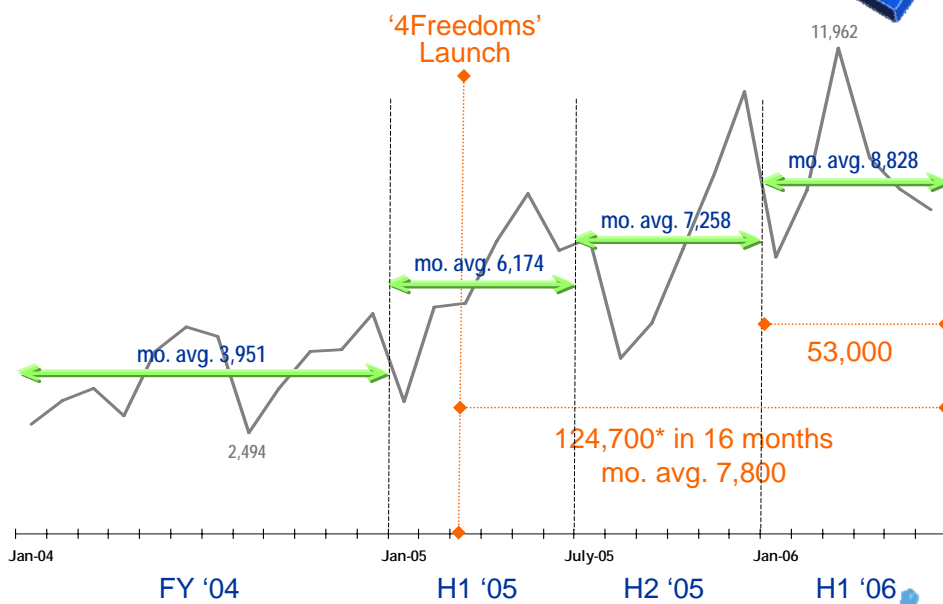
New customer acquisition
via the bank account



Development of the customer
via cross selling

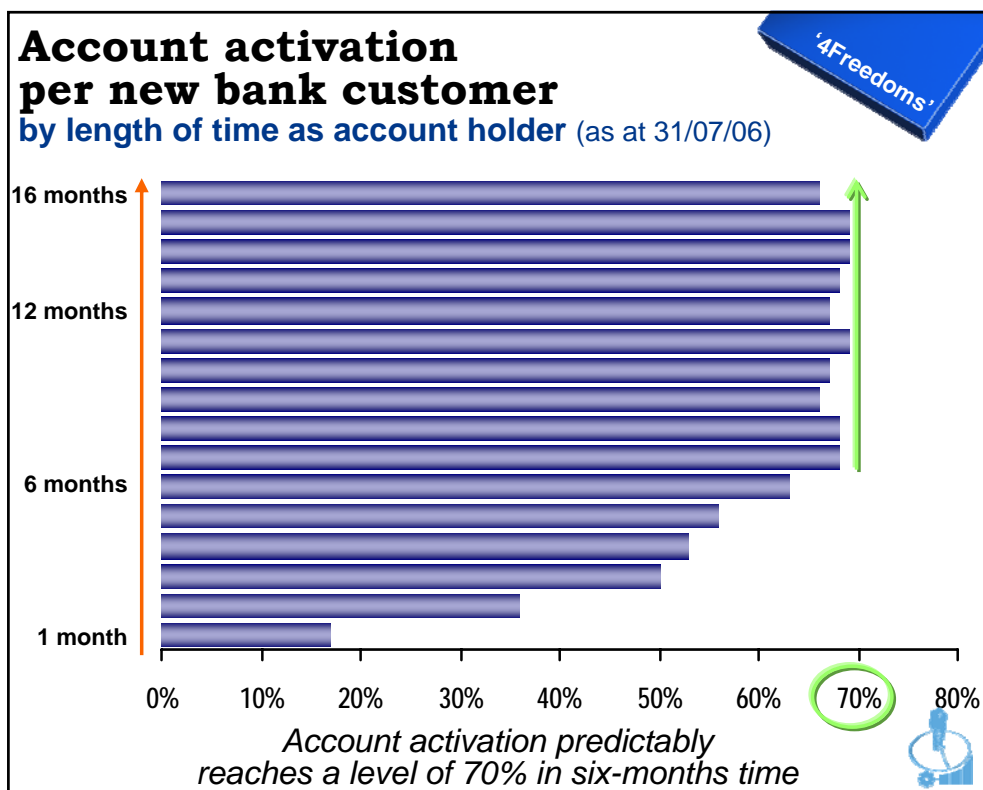
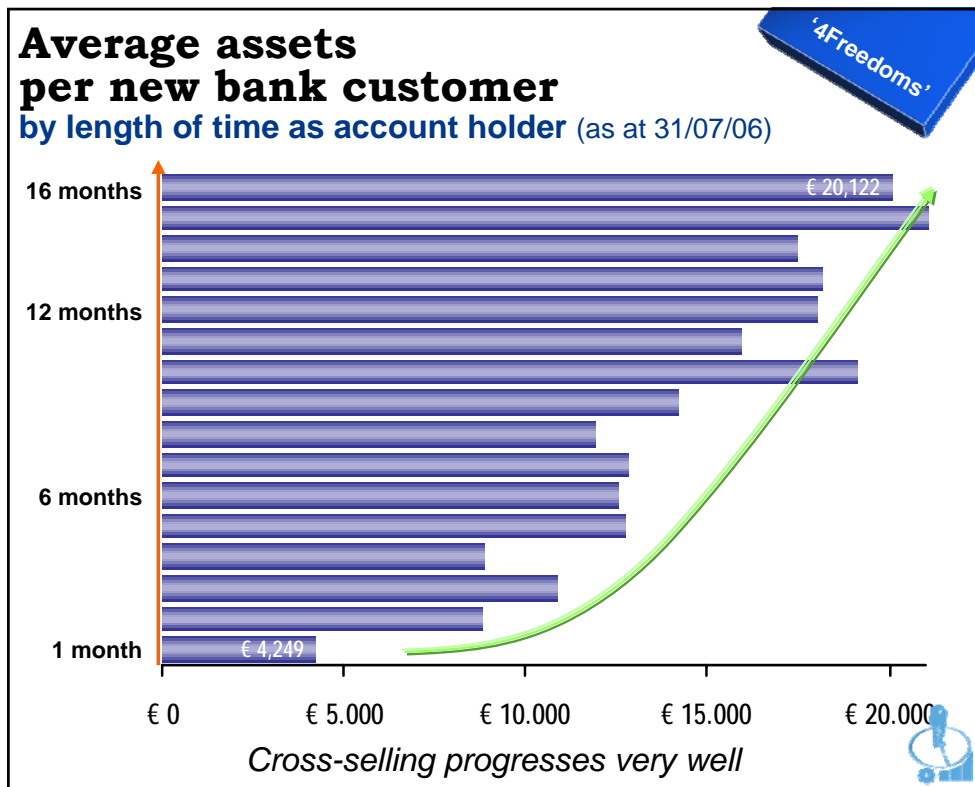


New bank accounts trend all account types, excluding conversions



* 59% are opened by new customers





Account activation & asset growth

'4Freedoms'

New customers acquired April - Dec. 2005

Group 1		%	Avg. Assets	Index 1	Index 2
Non-active	10,800	30%	15,800 €	100	
Active	22,700	70%	21,800 €	138	
TOTAL	33,500	100%	19,900 €	126	179

New customers acquired Jan. - June 2006

Group 2		%	Avg. Assets	Index 1	Index 2
Non-active	15,200	46%	9,200 €	100	
Active	17,800	54%	13,000 €	141	
TOTAL	33,000	100%	11,100 €	121	100

Our capacity to capture more assets when the account is active is confirmed







Going Forward

Going Forward



'4Freedoms' going forward







-  Strong **advertising effort** in Q4 – also communicating concept of 'Family Banker'
-  **Direct mailings** to prospects interested in banking products in response to our ads
-  **'Campaign management' software**, coordinating the simultaneous efforts of marketing & the advisors to convert prospects into customers
-  **Collective sales initiatives**, implementing small adjustments to increase effectiveness



Network recruiting: 'ICoNA' project



Focal point: present the advisor profession using the image of 'Family Banker'

-  Project first implemented in Oct. 2005 by **pilot group** in Piedmont (**2%** of supervisory force) - no. of advisors increased by 50%
-  Next step in May 2006 with **15%** of total supervisory force involved – all indications suggest results of pilot group being replicated
-  Successive step in Sept. 2006: extend the approach to an additional **26%** of the supervisors & introduce 'Family Banker' concept on national scale
-  By end of Q1 2007: remaining **57%** of supervisors will use ICoNA approach



New products update



'Riflex Mortgage' launched in May 2006:

- product characteristics: extreme flexibility, possibility to change from variable to fixed interest (or vice versa) & to modify other key parameters of the contract
- **1/3** of mortgage volume in July attributed to Riflex



2 new mutual funds under the 'Challenge' umbrella:

- a **'flexible'** & a **'total return'** fund
- authorisation received & introduction set for September



New **pension products** adhering to new COVIP rules:

- general guidelines have been issued, details-to-come
- we're going ahead with development work on products
- our objective is to protect margins



Thank you!

Any questions?



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