

**Interim
Report and
Accounts at
March 31,
2010**

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The English version of the Interim Report is a translation of the Italian text provided for the convenience of international readers.

**Interim
Report and
Accounts at
March 31,
2010**

Registered Office: Meucci Building, Via F. Sforza, 15 – Basiglio – Milano Tre (Milan)
Share capital €73,141,897.90 – fully paid up
Tax, VAT and Milan Register of Companies Registration No. 11667420159

Corporate Governance Officers

BOARD OF DIRECTORS

Roberto Ruozi	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

OFFICER RESPONSIBLE FOR PREPARING ACCOUNTING AND FINANCIAL REPORTING DOCUMENTS

Luigi Del Fabbro

Mediolanum Group's Financial Highlights

€/million	March 31, 2010	March 31, 2009	Change %	Dec. 31, 2009
Assets under management and administration ^(°)	43,221.4	29,495.3	47%	40,393.9
Net Inflows	1,812.8	521.6	248%	6,928.4
Profit before tax	79	21,4	270%	257.6
Income Tax	(13.1)	(4.7)	177%	(40.3)
Net profit	66	16.6	297%	217.3

€

Earnings per share ^(°°)	0.090	0.023	291%	0.297
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(°) 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.

The image shows the cover of a report. It features a large white circle on a blue background. Inside the white circle is a smaller dark blue circle containing the text 'Interim Management Report' in yellow. The background has a light blue curved shape on the left side.

**Interim
Management
Report**

Interim Management Report

● The macroeconomic environment

Data released in the first quarter 2010 showed the economic recovery was clearly underway. Yet, unemployment remained high and public deficit and sovereign debt levels continued to raise concern.

In the fourth quarter 2009, GDP had grown 5.6% (annualised) in the US and remained flat in the Euro zone confirming previous quarter's signs of economic recovery. Specifically, GDP had grown 0.6% in France, had remained flat in Germany and had been negative in Italy (-0.3%). In the same period also the UK economy had reversed trend posting 0.4% growth at December 31, 2009.

In the quarter under review, industrial production and business sentiment further improved both in the US and in the Euro zone.

Unemployment reached 9.7% in the US and 10% in the Euro zone, weighing down on consumer confidence and demand for goods and services.

The uncertainties surrounding the current recovery, high unemployment and the limited use of plant capacity reined in inflation. In March, the CPI rose 1.4% (0.9% in February) in the Euro zone and 2.3% (2.1% in February) in the US, on an annual basis. Excluding food and energy, the CPI grew 1.0% (0.9% in February) and 1.1% (1.3% in February), respectively.

In the quarter under review, both the ECB and the Fed kept their refinancing rates unchanged at 1% and 0-0.25%, respectively. The Fed raised the discount rate from 0.50% to 0.75% although it made plainly clear that would not be an indication of tightening nor of a change in its broader monetary policy stance.

Emerging economies were vibrant as usual. In March, the Chinese trade balance turned negative (-US\$ 7.24 billion) for the first time since April 2004, also due to imports growing 66% and exports up only 24.3% in that month, on an annualised basis. In March industrial production rose 18.1% on an annualised basis, and retail sales were up 18%.

○ Financial markets

In the quarter under review, in the US, the S&P500 rose 4.87% and the NASDAQ Composite 5.68%. In Europe, stock markets grew 3.81% on average (DJ Stoxx 600). In Italy the FTSE MIB was down 1.72%.

In the Euro zone the treasuries' yield curve showed declines on all maturities (from 1.33% to 0.96% on 2-year notes; from 2.42% to 2.14% on 5-year notes, from 3.39% to 3.09% on 10-year notes and from 4.11% to 3.82% on 30-year bonds). The yield spread between 2-year and 10-year notes increased from 205 bps at December 31, 2009 to 213 bps at March 31, 2010.

In the quarter under review, risk aversion pushed away investors from sovereign debt of 'peripheral' Euro zone countries. The financial crisis in Greece entailed a dramatic increase in the spreads between Greek and German treasuries on all maturities.

As European sovereign risk increased, emerging countries' and high yield debt issues benefitted from reduced credit spreads. Bonds issues in the primary market continued to be well subscribed by investors.

In the quarter under review, owing to the deterioration of the financial conditions of 'peripheral' countries in the Euro zone, the dollar strengthened against the euro from 1.4321 at December 31, 2009 to 1.3510 at March 31, 2010.

○ The Insurance Market

In the first quarter 2010, new premiums written under individual life policies amounted to €20.8 billion, climbing 74.7% over the same period of the prior year.

Growth was largely in traditional policies (class I) that rose 58.6% from €10.0 billion in the first quarter 2009 to €15.9 billion at the end of the period under review. New premiums written under unit-linked and index-linked policies (class III) increased from €1.46 billion in the first quarter 2009 to €3.88 billion at the end of the period under review.

The analysis by distribution channel relative to Italian and non-EU companies shows growth largely in new business written through banks and post offices that gathered €15.4 billion with a 56.6% increase over 2009. Agents too posted good results with new premiums written of €1.86 billion, up 34.3% over 2009, confirming their gradual growth over the past few years. Again in 2010, new business written through financial advisors showed notable growth to €3.2 billion compared to €0.4 billion in the same period of the prior year.

Against that backdrop, Mediolanum Vita again gave a key contribution to growth with outstanding results in terms of new life business that, at March 31, 2010, hit €2.3 billion, largely in connection with the *MEDIOLANUM PLUS* policy associated with Banca Mediolanum *Freedom* bank account.

EU companies conducting business in Italy (ANIA data) posted new premiums written under individual policies of €1.44 billion, up 71.4% over the prior year. Including also these companies, new business written since the beginning of the year amounted to €22.3 billion, up 74.5%.

● Mediolanum Group's performance

For the first quarter 2010, the Mediolanum Group reported net profit of €66.0 million up €49.4 million from €16.6 million in the same quarter of the prior year. Q1 2009 net profit did not include the Mediobanca Group results for that quarter (Mediolanum share: €2.1 million losses).

Boosted by the positive performance of equity markets, in the period under review, the Mediolanum Group again posted remarkable growth. Since a significant component of customer assets is invested in equities, the Group recorded growth in performance fees (+€42.9 million) and investments at fair value (+€9.8 million). Commission income hit €204.2 million versus €107.1 million in 2009, and commission expenses increased from €62.4 million to €91.6 million at the end of the first quarter 2010.

Mediolanum total assets under management and administration reached €43,221.4 million, up 7% from €40,393.9 million at year end 2009, but climbing 47% from €29,495.3 million at March 31, 2009.

In the first quarter 2010 net inflows jumped 248% to €1,812.8 million from €521.6 million in the same period of the prior year.

Specifically, net inflows generated by the insurance policy associated with the *Freedom* bank account amounted to €992.4 million versus €40 million in March of the prior year. Net inflows into third-party structured bonds amounted to €136.5 million. Please note that third-party structured bonds were not part of the Group's offering in Q1 2009. Net inflows into total managed assets and administered assets amounted to €298.7 million (Q1 2009: 334.2 million) and €70.9 million (Q1 2009: €109.2 million), respectively.

According to data released by the financial newspaper *Il Sole 24 ore* last May 1, Banca Mediolanum again ranked first among top Italian sales networks with over €1.5 billion net inflows for the period, a figure which is more than 3.8 times higher than the inflows reported by the competitor who came in second in the ranking.

According to data released by Assogestioni, in the January-April 2010 period, Banca Mediolanum posted €676 million net inflows into mutual funds versus about €2.1 billion recorded by the whole domestic industry. In particular, Banca Mediolanum recorded €4 million net inflows into equity funds versus net outflows of €363 million posted by the entire domestic industry.

The Assogestioni ranking of top asset managers in terms of volumes shows that the Mediolanum Group was in the fifth place versus sixth place in December 2009; and its market share further grew from 3.81% in December 2009 to 4.03% in April 2010.

● Consolidated Inflows, Assets under Management and Assets under Administration

○ Net Inflows

€/million	March 31, 2010	March 31, 2009	Change %
Life Insurance products	(149.8)	83.1	<i>n.s.</i>
Asset Management products	448.5	251.2	<i>n.s.</i>
Total managed assets inflows	298.7	334.2	(11%)
Freedom Life Policies	992.4	40.0	<i>n.s.</i>
Third-party structured bonds	136.5	0.0	<i>n.s.</i>
Administered assets	70.9	109.2	(35%)
BANCA MEDIOLANUM	1,498.5	483.5	210%
BANCA ESPERIA (*)	287.5	71.8	301%
Total - ITALY	1,786.0	555.2	222%
SPAIN	20.8	(22.7)	<i>n.s.</i>
GERMANY	6.0	(10.9)	<i>n.s.</i>
Total FOREIGN MARKETS	26.8	(33.6)	<i>n.s.</i>
TOTAL NET INFLOWS	1,812.8	521.6	248%

○ Assets under Management and under Administration^(*)

€/million	March 31, 2010	Dec. 31, 2009	March 31, 2009
Life Products	15,411.6	14,988.8	12,193.8
Freedom Life Policies	5,564.2	4,571.8	41.1
Asset Management products	17,064.6	15,759.2	11,550.6
Banking products	6,004.3	5,785.8	6,398.3
Consolidation Adjustments	(8,732.1)	(8,167.0)	(6,230.8)
BANCA MEDIOLANUM	35,312.7	32,938.6	23,952.9
Banca Esperia Group (**)	5,981.9	5,591.3	4,013.2
Total ITALY	41,294.6	38,529.9	27,966.1
SPAIN	1,624.6	1,583.0	1,305.9
GERMANY	302.2	281.0	223.2
Total Foreign Markets	1,926.9	1,864.0	1,529.1
Total Assets under Management & Administration	43,221.4	40,393.9	29,495.3

(*) 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 March 31, 2010, total assets under management and administration amounted to €43,221.4 million, in line with the year end 2009 balance of €40,393.9 million, but jumping 47% over the balance reported at March 31, 2009.

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

○ Italy - Life

Total life products increased from €14,988.8 million at year end 2009 to 15,411.6 million at the end of the quarter under review (Q1 2009: €12,193.8 million).

€/million	March 31, 2010	Dec. 31, 2009	March 31, 2009
Unit-linked life products	8,680.3	8,128.5	6,182.9
Index-linked life products	5,357.8	5,485.8	4,695.8
Traditional life products	1,373.5	1,374.5	1,315.1
Total Life Products (ex-Freedom)	15,411.6	14,988.8	12,193.8
Freedom Life Policies	5,564.2	4,571.8	41.1

€/million	March 31, 2010	March 31, 2009	Change
Recurring premiums	28.1	33.2	(5.1)
Single premiums and group policies	54.0	220.9	(166.9)
Total new business	82.0	254.1	(172.0)
Pension plans in-force	133.5	123.3	10.2
Other business in-force	155.6	171.1	(15.5)
Total in-force business	289.1	294.4	(5.3)
Total Premiums Written (ex-Freedom)	371.1	548.6	(177.5)
Freedom Premiums written	2,297.0	41.2	2,255.8
Total gross premiums written	2,668.1	589.8	2,078.3

Gross premiums written in the first three months of the year amounted to €2,668.1 million, jumping 352.4% from €589.8 million in the same period of the prior year.

New business stood at €82 million, down 68% from €254.1 million at March 31, 2009.

Recurring premiums declined 16% from €33.2 million in Q1 2009 to €28.1 million at the end of the quarter under review.

Excluding *Mediolanum Plus*, single premiums and group policies were down 76% to €54 million from 220.9 million at March 31, 2009. The decline was largely related to index-linked policies.

Total in-force business amounted to €289.1 million, essentially in line (down 2%) with the prior year's balance of €294.4 million.

For first three months of 2010, amounts paid amounted to €521.1 million versus €465.5 million at March 31, 2009.

€/million	March 31, 2010	March 31, 2009	Change
Claims	19.5	18.0	1.5
Coupons	51.8	52.0	(0.2)
Maturities	253.1	270.7	(17.6)
Surrenders	196.7	124.8	71.9
Amounts Paid	521.1	465.5	55.6

○ Italy - Asset management

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

€/million	March 31, 2010	Dec. 31, 2009	March 31, 2009
'Best brands' funds of funds	2,610.2	2,322.6	1,489.3
'Portfolio' funds of funds	870.2	834.2	766.0
'Elite' funds of funds	110.4	108.9	87.2
Funds of hedge funds	398.6	437.2	460.6
Total funds of funds	3,989.4	3,702.9	2,803.1
'Challenge'	11,213.8	10,327.6	7,417.5
Other Italy-based mutual funds	1,875.4	1,802.7	1,389.0
Other internationally-based mutual funds	281.3	271.6	185.2
Total other mutual funds	13,370.4	12,401.8	8,991.8
'Chorus' managed accounts	83.9	86.4	81.2
Real estate funds and others	482.8	431.8	401.2
Duplications	(862.0)	(863.6)	(726.7)
Total asset management products	17,064.6	15,759.2	11,550.6
of which:			
equity	60%	60%	56%
bond	16%	15%	17%
money market	6%	7%	11%
other	18%	18%	16%

At March 31, 2010 assets under management grew to €17,064.6 million from €15,759.2 million at December 31, 2009.

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	March 31, 2010	March 31, 2009	Change
\`Best brands\` funds of funds	108.6	90.2	18.4
\`Portfolio\` funds of funds	(17.4)	(9.3)	(8.1)
\`Elite\` funds of funds	(3.8)	0.1	(3.9)
Total funds and funds	87.4	81.0	6.4
\`Challenge\`	50.0	129.8	(79.8)
Other Italy-based mutual funds	262.2	39.7	222.5
Total other mutual funds	312.2	169.5	142.7
\`Chorus\` managed accounts	(5.8)	(2.4)	(3.4)
Real estate funds and others	54.7	3.1	51.6
Total asset management products	448.5	251.2	197.3

Gross Inflows

€/million	March 31, 2010	March 31, 2009	Change
\`Best brands\` funds of funds	311.5	160.0	151.5
\`Portfolio\` funds of funds	19.2	24.4	(5.2)
\`Elite\` funds of funds	3.8	3.8	-
Total funds and funds	334.5	188.3	146.2
\`Challenge\`	494.8	164.2	330.6
Other Italy-based mutual funds	243.5	213.9	29.6
Total other mutual funds	738.3	378.1	360.2
\`Chorus\` managed accounts	0.2	0.5	(0.3)
Real estate funds and others	64.1	20.2	43.9
Total asset management products	1,137.0	587.0	550.0

○ Italy - Banking

At the end of the first quarter 2010, inflows into assets under administration amounted to €70.9 million versus €109.2 million at March 31, 2009.

In the quarter under review, placement of third-party structured notes generated €136.5 million inflows.

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

€/million	March 31, 2010	Dec. 31, 2009	March 31, 2009
Customer deposits	4,041.8	3,976.9	4,080.3
Banca Mediolanum Bonds	174.4	175.1	-
Third Parties Structured Bonds	166.2	42.5	-
Securities in custody	1,540.2	1,541.2	1,565.0
Repurchase agreements	81.7	50.1	753.0
Total Assets under Administration	6,004.3	5,785.8	6,398.3

At March 31, 2010, Banca Mediolanum bank accounts totalled about 585,700, up 3.4% from about 566,500 at March 31, 2009. Primary account holders were 562,800, up 2.9% from 547,000 in the same period of the prior year.

● Spain

€/million	March 31, 2010	Dec. 31, 2009	March 31, 2009
FIBANC (BANCO MEDIOLANUM)			
Asset under Management & Administration:	1,624.6	1,583.0	1,305.9
<i>Assets under Management</i>	<i>956.1</i>	<i>930.3</i>	<i>726.6</i>
<i>Assets under Administration</i>	<i>668.5</i>	<i>652.7</i>	<i>579.3</i>
Gross Inflows:	65.6	180.4	24.4
<i>Assets under Management</i>	<i>63.4</i>	<i>247.6</i>	<i>45.0</i>
<i>Assets under Administration</i>	<i>2.2</i>	<i>(67.2)</i>	<i>(20.6)</i>
Net Inflows:	20.9	5.6	(22.7)
<i>Assets under Management</i>	<i>18.6</i>	<i>72.8</i>	<i>(2.0)</i>
<i>Assets under Administration</i>	<i>2.3</i>	<i>(67.2)</i>	<i>(20.7)</i>

Assets under administration grew 24% compared to the first quarter 2009.

In the first quarter 2010, net inflows amounted to €20.9 million versus net outflows of €22.7 million in the same period of the prior year. Specifically, inflows into asset management products amounted to €18.6 million versus net outflows of €2.0 million at March 31, 2009.

At March 31, 2010, the number of Fibanc customers was down 3% to 86,703 from €89,666 in the same period of the prior year, while primary account holders were up 2% to 66,093 from 65,024 at March 31, 2009.

● Germany

€million	March 31, 2010	Dec. 31, 2009	March 31, 2009
Assets under Management & Administration:	302.3	281.0	223.2
<i>Assets under Management</i>	285.7	268.4	204.4
<i>Assets under Administration</i>	16.6	12.6	18.8
Gross Inflows:	21.3	28.6	(0.6)
<i>Assets under Management</i>	16.9	41.6	6.2
<i>Assets under Administration</i>	4.4	(13.0)	(6.8)
Net Inflows:	5.9	(16.1)	(10.9)
<i>Assets under Management</i>	1.6	(3.1)	(4.1)
<i>Assets under Administration</i>	4.4	(13.0)	(6.8)

Assets under administration grew 35% compared to the first quarter 2009.

In the first quarter 2010, net inflows amounted to €5.9 million versus net outflows of €10.9 million in the same period of the prior year. Specifically, inflows into asset management products amounted to €1.6 million versus net outflows of €4.1 million at March 31, 2009.

At March 31, 2010, the number of customers was down 14% to 3,297 from 3,847 in the same period of the prior year.

● The Sales Networks

Number	March 31, 2010	Dec. 31, 2009	March 31, 2009
Licensed Financial Advisors	4,896	4,945	5,076
Non-licensed advisors / agents (*)	306	358	609
BANCA MEDIOLANUM	5,202	5,303	5,685
SPAIN	463	454	444
GERMANY	40	43	43
Total	5,705	5,800	6,172

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

At March 31, 2010, the number of Banca Mediolanum licensed financial advisors declined to 4,896 and the number of non-licensed advisors to 306 from 358 at the end of the prior year.

● Consolidated Income Statement at March 31, 2010(*)

€/million	March 31, 2010	March 31, 2009	Change	Change %
Net premiums written	2,691.5	602.0	2,089.5	347%
Amounts paid and change in reserves	(2,682.9)	(585.8)	(2,097.1)	358%
Net life insurance revenues (ex commissions)	8.6	16.1	(7.5)	(47%)
Entry fees	29.0	13.1	15.9	121%
Management fees	85.9	59.1	26.8	45%
Performance fees	52.7	9.7	43.0	441%
Banking services fees	30.4	19.9	10.5	52%
Other fees	6.2	5.2	1.0	19%
Total commission income	204.2	107.1	97.1	91%
Net Interest Income	35.6	46.4	(10.8)	(23%)
Net income on investments at fair value	6.2	(3.6)	9.8	n.s.
Net financial income	41.7	42.7	(1.0)	(2%)
Equity method	3.7	0.8	2.9	375%
Net income on other investments	1.3	1.0	0.3	27%
Other revenues	5.0	5.1	(0.1)	(1%)
TOTAL REVENUES	264.5	172.9	91.6	53%
Commission expenses and acquisition costs	(91.6)	(62.4)	(29.2)	47%
General and administrative expenses	(84.7)	(85.5)	0.8	(1%)
Amortisation and depreciation	(4.9)	(4.1)	(0.8)	20%
Net provisions for risks	(4.3)	0.6	(4.9)	n.s.
TOTAL COSTS	(185.5)	(151.5)	(34.0)	22%
PROFIT BEFORE TAX	79.0	21.3	57.7	270%
Income tax	(13.1)	(4.7)	(8.4)	177%
NET PROFIT FOR THE PERIOD	66.0	16.6	49.4	297%

(*) 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 three months of the year, net premiums written climbed 347.1% to €2,691.5 million from €602 million in 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 €2,296.7 million in new business.

Total amounts paid and change in reserves increased 358% from €585.8 million at March 31, 2009 to €2,682.9 million, of which €1,338.3 million relating to the policies associated with the Freedom bank account.

Net life insurance revenues before acquisition costs amounted to €8.6 million versus €16.1 million in the prior year owing to the different product structures and the discontinuation of index-linked policies.

For the first three months of the year commission income amounted to €204.2 million versus €107.1 million at March 31, 2009. The €97.1 million increase was largely due to greater management fees (€26.8 million) and performance fees (€43 million).

At €41.7 million net financial income remained essentially in line with the figure reported for the same period of the prior year.

Net income on other investments slightly increased from €1 million at March 31, 2009 to €1.3 million at the end of the quarter under review.

Commission expenses and acquisition costs amounted to €91.6 million versus €62.4 million in the same period of the prior year. The increase was in connection with greater entry and management fees.

Other expenses (administrative expenses, amortisation, depreciation and provisions for risks) amounted to €93.9 million versus €89 million in the prior year. The €4.9 million increase was mainly in connection with greater provisions set aside to cover any misconduct by people in the sales network.

Income tax for the period amounted to €13.1 million versus €4.7 million at March 31, 2009 (tax rate 16.56%).

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

● Italy - Life

€/000	March 31, 2010	March 31, 2009	Change	Change %
Net premiums written	2,666,479	588,915	2,077,564	353%
Amounts paid & change in technical reserves	(2,661,320)	(573,626)	(2,087,694)	364%
Net life revenues (ex commission)	5,159	15,289	(10,130)	(66%)
Commission income	75,250	39,887	35,363	89%
Net financial income	9,145	4,511	4,634	103%
Net income on other investments	5,091	1,520	3,571	235%
Other revenues	3,285	3,605	(320)	(9%)
TOTAL REVENUES	97,929	64,812	33,117	51%
Commission expenses & acquisition costs	(29,146)	(26,029)	(3,117)	12%
G&A expenses	(24,462)	(26,484)	2,022	(8%)
Amortisation and depreciation	(1,043)	(955)	(88)	9%
Net provision for risks	(1,527)	(339)	(1,188)	351%
TOTAL COSTS	(56,178)	(53,806)	(2,372)	4%
PROFIT/ (LOSS) BEFORE TAX	41,751	11,006	30,746	279%

In the 'Italy - Life' operating segment, profit before tax amounted to €41.8 million, climbing 279% over the first quarter of the prior year.

Net life insurance revenues before acquisition costs amounted to €5.2 million versus €15.3 million in the prior year. The decline reflects the different product structures and the discontinuation of index-linked policies.

Commission income amounted to €75.3 million versus €39.9 million in the same quarter of the prior year. The €35.4 million increase was largely owed to greater management and performance fees earned in the Life segment in the quarter under review. Commission expenses and acquisition costs rose €3.1 million to €29.1 million from €26 million at March 31, 2009.

Net financial income for the period amounted to €9.2 million versus €4.5 million in the same period of the prior year.

Other expenses for the period amounted to €27.0 million versus €27.8 million at March 31, 2009.

● Italy - Asset management

€/000	March 31, 2010	March 31, 2009	Change	Change %
Entry fees	28,051	12,691	15,360	121%
Management fees	35,795	22,680	13,115	58%
Performance fees	22,475	3,824	18,652	488%
Other fees	4,244	3,305	940	28%
Commission income	90,565	42,499	48,066	113%
Net Interest Income	264	385	(121)	(31%)
Net income on investments at fair value	(7)	(2)	(5)	260%
Net financial income	257	383	(126)	(33%)
Net income on other investments	(22)	-	(22)	n.s.
Other revenues	42	55	(13)	(23%)
TOTAL REVENUES	90,843	42,938	47,905	112%
Commission expenses & acquisition costs	(38,254)	(18,854)	(19,400)	103%
G&A expenses	(18,488)	(18,853)	365	(2%)
Amortisation and depreciation	(820)	(667)	(153)	23%
Net provision for risks	(2,322)	(229)	(2,093)	914%
TOTAL COSTS	(59,883)	(38,603)	(21,280)	55%
PROFIT/ (LOSS) BEFORE TAX	30,960	4,335	26,625	614%

In the 'Italy – Asset Management' segment profit before tax amounted to €31.0 million, jumping 614% over the first quarter of the prior year.

Commission income for the period amounted to €90.6 million, growing €48.1 million from €42.5 million posted in the same period of the prior year. For the quarter under review there was growth in performance fees (+€18.7 million), management fees (+€13.1 million) and entry fees owed to excellent gross inflows into asset management products recorded in the period (+94%).

At the end of the period under review **costs** in this segment amounted to €59.9 million versus €38.6 million in the same period of the prior year. In particular, commission expenses were up €19.4 million, mainly in connection with greater entry fees in the period, and the ratio of commission expenses to commission income (ex performance fees) grew to 56% from 49% in the first quarter of the prior year.

● Italy - Banking

€/000	March 31, 2010	March 31, 2009	Change	Change %
Banking services fees	21,253	14,846	6,407	43%
Other fees	1,616	1,091	525	48%
Commission income	22,869	15,938	6,931	43%
Net Interest Income	28,356	40,952	(12,596)	(31%)
Net income on investments at fair value	2,676	(3,572)	6,248	(175%)
Net financial income	31,032	37,380	(6,348)	(17%)
Net income on other investments	(2,708)	(545)	(2,164)	397%
Other revenues	1,324	1,319	5	-
TOTAL REVENUES	52,517	54,092	(1,575)	(3%)
Commission expenses & acquisition costs	(12,412)	(10,294)	(2,118)	21%
G&A expenses	(32,178)	(29,913)	(2,265)	8%
Amortisation and depreciation	(2,169)	(1,841)	(328)	18%
Net provisions for risks	(565)	(71)	(494)	696%
TOTAL COSTS	(47,325)	(42,119)	(5,206)	12%
PROFIT/ (LOSS) BEFORE TAX	5,192	11,973	(6,781)	(57%)

In the 'Italy – Banking' segment profit before tax amounted to €5.2 million down 57% over the same period of the prior year.

For the period under review, **net financial income** amounted to €31 million. The €6.4 million decline from €37.4 million at March 31, 2009, is largely a reflection of interest rate cuts.

Commission income amounted to €22.9 million growing 43% especially owed to commissions earned on the placement of structured bonds issued by third parties. **Commission expenses** were up 21% to €12.4 million.

Other expenses for the period increased €3.1 million (+9.7%) from €31.8 million in the prior year to €34.9 million in the quarter under review.

● Italy - Other

€/000	March 31, 2010	March 31, 2009	Change	Change %
Net financial income	(30)	(1,758)	1,728	(98%)
Equity method	3,651	768	2,883	375%
Net income on other investments	(1,280)	45	(1,325)	(2,944%)
Other revenues	250	332	(82)	(25%)
TOTAL REVENUES	2,590	(613)	3,203	(523%)
Commission expenses & acquisition costs	-	-	-	-
G&A expenses	(506)	(490)	(16)	3%
Amortisation and depreciation	(13)	(25)	12	(48%)
Net provision for risks	-	(16)	16	(100%)
TOTAL COSTS	(519)	(531)	13	(2%)
PROFIT/ (LOSS) BEFORE TAX	2,072	(1,144)	3,216	(281%)

At the end of the quarter under review, **net financial income** in this segment showed a negative balance of €30 thousand versus a negative balance of €1,758 thousand in the same period of the prior year, reflecting the dramatic cuts in interest rates.

'Equity method' relates to the share of profits in Mediobanca, amounting to €2,660 thousand, and Banca Esperia, amounting to €991 thousand (Q1 2009: €768 thousand).

● Spain

€/000	March 31, 2010	March 31, 2009	Change	Change %
Net premiums written	19,867	11,581	8,286	72%
Amounts paid & change in technical reserves	(16,986)	(10,827)	(6,159)	57%
Net life revenues (ex commission)	2,881	754	2,127	282%
Commission income	6,263	4,011	2,252	56%
Net Interest Income	1,290	2,299	(1,009)	(44%)
Net income on investments at fair value	(24)	(217)	193	(89%)
Net financial income	1,266	2,082	(816)	(39%)
Net income on other investments	193	(66)	259	n.d.
Other revenues	170	96	74	77%
TOTAL REVENUES	10,773	6,877	3,896	57%
Commission expenses & acquisition costs	(4,327)	(2,891)	(1,436)	50%
G&A expenses	(6,285)	(7,623)	1,338	(18%)
Amortisation and depreciation	(389)	(345)	(44)	13%
Net provisions for risks	161	1,208	(1,047)	(87%)
TOTAL COSTS	(10,840)	(9,651)	(1,189)	12%
PROFIT/ (LOSS) BEFORE TAX	(67)	(2,774)	2,707	(98%)

Net life insurance revenues before acquisition costs amounted to €2.9 million up €2.1 million from €0.8 million in the same period of the prior year.

Commission income grew 56% from €4 million to €6.3 million at the end of the quarter under review. Commission expenses amounted to €4.3 million versus €2.9 million at March 31, 2009 (+50%).

Other expenses were down 4% to €6.5 million from €6.8 million in the same period of the prior year.

● Germany

€/’000	March 31, 2010	March 31, 2009	Change	Change %
Net premiums written	5,169	1,466	3,703	253%
Amounts paid & change in technical reserves	(4,613)	(1,390)	(3,223)	232%
Net life revenues (ex commission)	556	76	480	632%
Commission income	9,432	4,994	4,438	89%
Net Interest Income	115	279	(164)	(59%)
Net income on investments at fair value	(64)	(136)	72	(53%)
Net financial income	51	143	(92)	(64%)
Net income on other investments	-	53	(53)	n.d.
Other revenues	51	45	6	13%
TOTAL REVENUES	10,090	5,311	4,779	90%
Commission expenses & acquisition costs	(7,465)	(4,402)	(3,063)	70%
G&A expenses	(3,036)	(2,696)	(340)	13%
Amortisation and depreciation	(470)	(263)	(207)	79%
TOTAL COSTS	(10,971)	(7,361)	(3,610)	49%
PROFIT/ (LOSS) BEFORE TAX	(881)	(2,050)	1,169	(57%)

Commission income soared 89% from €5 million at March 31, 2009 to €9.4 million at the end of the quarter under review. The €4.4 million increase was mainly due to greater commissions in connection with ATM business growth.

Commission expenses amounted to €7.5 million, up 70%.

● Key corporate events and performance of companies within the Group

○ The Parent Company

At March 31, 2010, the Parent Company Mediolanum S.p.A. reported net profit of €36.0 million versus €9.5 million in the same period of the prior year.

In the quarter under review, the Parent Company recorded dividends of €40.9 million versus €13.4 million in the first quarter 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 quarter 2010 Mediolanum Vita S.p.A. reported net profit of €9.0 million, growing from €6.3 million at March 31, 2009.

For the first three months of 2010, premiums written rose to €2,623.7 million compared to €383.4 million at March 31, 2009. The remarkable growth in premiums written was largely due to the success of the *Mediolanum Plus* policy.

New business climbed from €85.7 million in the first quarter 2009 to €2,322.2 million at March 31, 2010.

In-force business premiums amounted to €291.6 million, remaining in line with the March 31, 2009 balance of €297.7 million.

At March 31, 2010, mathematical reserves and financial liabilities to policyholders increased to €17,358.9 million from €15,869.2 million at year end 2009.

Mediolanum International Life Ltd – For the first quarter 2010 the Irish company Mediolanum International Life Ltd reported net profit of €2.6 million, slightly up from €2.3 million at March 31, 2009.

For the period under review the company reported premiums written of €69.1 million versus €219.5 million at March 31, 2009. The decline was in connection with the discontinuation of index-linked policies (-€161.4 million).

At March 31, 2010, mathematical reserves and financial liabilities to policyholders amounted to €4,192.1 million, slightly down from €4,204.6 at year end 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 – For the first quarter 2010, Mediolanum International Funds Ltd reported net profit of €67.4 million versus €24.5 million at March 31, 2009. The €42.9 million increase was largely in connection with greater performance fees earned in the period (+ €39.9 million).

For the first three months of 2010, the company recorded net inflows of €427.0 million versus €307.2 million in the same period of the prior year. At March 31, 2010, total assets under management amounted to €15,671 million, up 8% from €14,461 million at December 31, 2009.

Mediolanum Gestione Fondi SGR p.A. – For the first quarter 2010, Mediolanum Gestione Fondi SGR p.A. reported net profit of €3.7 million, up from €0.8 million in the same period of the prior year.

At March 31, 2010, the company recorded net inflows of €98.3 million versus €130.8 million in the first quarter 2009.

At the end of the quarter under review, total assets under management grew to €2,473.4 million from €2,343.4 million at December 31, 2009. Assets managed on mandates from fellow subsidiaries amounted to €17,122.7 versus €16,132.3 at December 31, 2009.

Gamax Management A.G. – For the first quarter 2010, the Luxembourg-based company Gamax Management A.G. reported net profit of €1.5 million versus €0.5 million in the prior year.

At March 31, 2010, total assets under management (retail and institutional segments), amounted to €485 million versus €463 million at December 31, 2009.

For the period under review, in the retail segment, the company recorded net outflows of €1.2 million versus net outflows of €3.6 million at March 31, 2009.

○ Banking operations (including Group product distribution)

Banca Mediolanum S.p.A. – At March 31, 2010, Banca Mediolanum S.p.A. reported net profit of €11.8 million versus €1.7 million for the first three months of the prior year.

For the quarter under review profit before tax rose €8.7 million largely in connection with growth in net commission income (+ €7.3 million) and in dividends from subsidiaries (+ €13.4 million). Conversely, net financial income was impacted by interest rate cuts and declined to €6.9 million, and provisions for risks and charges increased €6.1 million.

At March 31, 2010, direct funding from customers grew €296 million to €6,175 million from €5,879 million at year end 2009.

Lending to customers, excluding securities lending, stood at €3.071 million versus €3.066 million at December 31, 2009. In the quarter under review, hot money transactions with institutional counterparties were down €90 million, while residential mortgage loans and repurchase agreements increased €69 million and €59 million, respectively.

The balance on the securities accounts of retail customers increased from €1,546 million at year end 2009 to €1,816 million at March 31, 2010 (Q1 2009: €1,504 million).

Banco de Finanzas e Inversiones S.A. / Fibanc (Banco Mediolanum) – At March 31, 2010, the Spanish bank recorded net inflows of €20.9 million versus net outflows of €22.7 million in the prior year. Assets under management and administration (masse amministrata e gestite) amounted to €1,625 million versus €1,583 million at December 31, 2009.

At the end of March 2010, the sales network consisted of 463 people (454 at year end 2009), of whom 416 tied advisors (407 at year end 2009).

For the quarter ended March 31, 2010, the entity reported net profit of €0.9 million versus net loss of €1.2 million at March 31, 2009.

Bankhaus August Lenz & Co. – For the first quarter 2010, the German bank Bankhaus August Lenz & Co. reported net loss of €1.4 million, improving by €0.6 million from the €2.0 million net loss reported for the same period of the prior year.

In the quarter under review, this bank recorded net inflows of €7.1 million versus net outflows of €7.3 million in the prior year. At March 31, 2010, assets under administration amounted to €83.6 million versus €75 million at December 31, 2009.

At the end of the quarter under review, the sales force consisted of 40 people (43 at year end 2009).

○ Associates

For the first quarter 2010 the **Banca Esperia Group** reported net profit of €1.7 million versus €1.6 million at March 31, 2009.

For the quarter under review the Banca Esperia Group recorded net inflows of 575 million versus €148 million in the prior year. At March 31, 2010, assets under management and administration increased to €11,964 million from €11,183 million at December 31, 2009.

At March 31, 2010 **Mediobanca S.p.A.** reported net profit of €354.4 million for the first nine months of its financial year 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 values 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 associates accounted for by the equity method on the Mediolanum Group's income statement was positive for €3.7 million versus a positive balance in the first quarter 2009 of €0.8 million. Readers are reminded that, in first quarter 2009, the impact of associates did not include the impact of the Mediobanca Group (Mediolanum share: - €2.1 million).

● Post balance sheet date events

After March 31, 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.


● Outlook

The sovereign debt crisis in 'peripheral' Euro zone countries and measures proposed to address it, especially Greece's sovereign debt, roiled markets and brought about increased volatility. As the investors' risk appetite waned, in the past weeks stock indices recorded significant corrections and the spreads between German treasuries and the sovereign debt issues of Greece, Portugal, Ireland, Italy and Spain widened notably. The Euro weakened against all major currencies. In the past few days, European governments and the ECB made it clear they intend to take all necessary measures to ensure rigorous fiscal discipline and financial market liquidity.

The sovereign debt crisis may entail the persistence of high levels of market volatility in the short and medium term. Based on reasonable estimates, the Group expects to record good earnings for the year 2010.

Basiglio, May 13, 2010

For the Board of Directors
The Chairman
(Roberto Ruozi)



**Consolidated
Accounts
at March 31,
2010**

Balance Sheet

Assets

	€/'000	March 31, 2010	Dec. 31, 2009
1 Intangible assets			
1.1 Goodwill		157,264	157,264
1.2 Other intangible assets		13,542	14,649
Total intangible assets		170,806	171,913
2 Tangible assets			
2.1 Property		61,898	62,259
2.2 Other tangible assets		20,388	21,704
Total tangible assets		82,286	83,963
3 Reinsurers' share of technical reserves		99,043	100,277
4 Investments			
4.1 Investment property		91,501	90,518
4.2 Investments in subsidiaries, associates and JVs		440,731	432,684
4.3 Held to maturity investments		1,583,238	1,581,409
4.4 Loans and receivables		5,627,039	4,847,829
4.5 Available for sale financial assets		3,797,955	2,956,206
4.6 Financial assets at fair value through profit or loss		18,984,561	17,798,081
Total investments		30,525,025	27,706,727
5 Receivables			
5.1 Arising out of direct insurance business		10,549	8,340
5.2 Arising out of reinsurance business		1	-
5.3 Other receivables		1,495	1,273
Total receivables		12,045	9,613
6 Other assets			
6.1 Non current assets or disposal groups held for sale		1,509	1,521
6.2 Deferred acquisition costs		-	-
6.3 Deferred tax assets		117,254	99,196
6.4 Current tax assets		218,164	210,970
6.5 Other assets		350,415	293,611
Total other assets		687,342	605,298
7 Cash and cash equivalents		323,800	213,764
TOTAL ASSETS		31,900,347	28,891,555

Liabilities

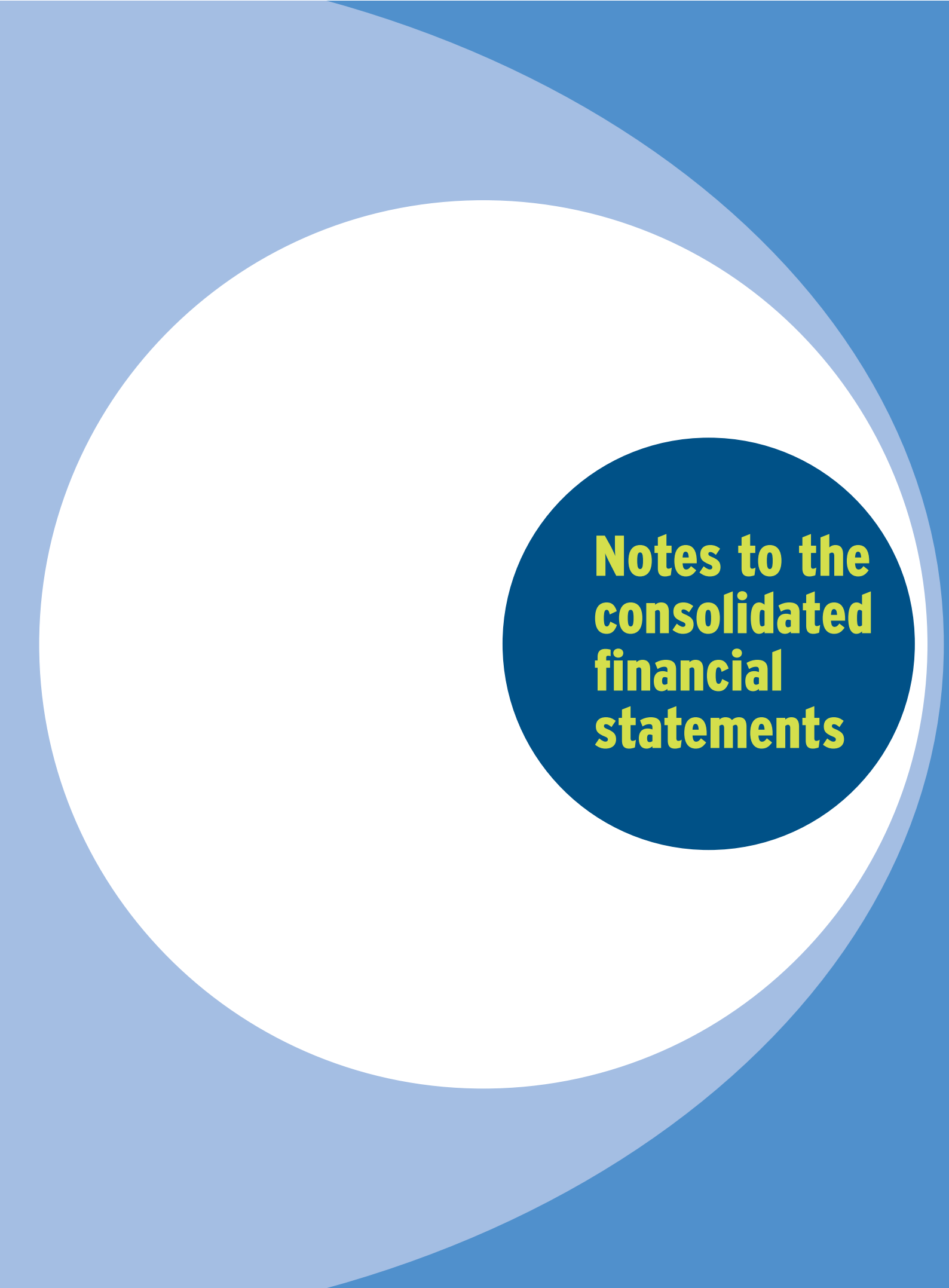
€/000	March 31, 2010	Dec. 31, 2009
1 Capital and reserves		
1.1 Group shareholders' equity		
1.1.1 Share capital	73,142	73,140
1.1.2 Other equity instruments	-	-
1.1.3 Capital reserves	53,494	53,477
1.1.4 Retained earnings and other equity reserves	836,449	618,584
1.1.5 (Treasury shares)	(2,045)	(2,045)
1.1.6 Exchange difference reserves	-	-
1.1.7 Gains or losses on available for sale financial assets	5,640	8,931
1.1.8 Other gains or losses recognised directly in equity	27,550	23,051
1.1.9 Profit (loss) for the period attributable to the group	65,956	217,280
Total capital and reserves attributable to the group	1,060,186	992,418
1.2 Attributable to minority interest		
1.2.1 Capital and reserves attributable to minority interests	-	-
1.2.2 Gains (losses) recognised directly in equity	-	-
1.2.3 Net profit (loss) for the period attributable to minority interests	-	-
Total capital and reserves attributable to minority interest	-	-
Total capital and reserves	1,060,186	992,418
2 Provisions	116,108	109,869
3 Technical reserves	21,480,402	20,002,983
4 Financial liabilities		
4.1 Financial liabilities at fair value through profit or loss	695,702	367,748
4.2 Other financial liabilities	7,957,798	6,941,286
Total financial liabilities	8,653,500	7,309,034
5 Payables		
5.1 Arising out of direct insurance business	7,818	9,440
5.2 Arising out of reinsurance business	470	1,697
5.3 Other payables	229,104	244,633
Total payables	237,392	255,770
6 Other liabilities		
6.1 Liabilities of disposal groups held for sale	749	732
6.2 Deferred tax liabilities	59,679	49,893
6.3 Current tax liabilities	48,777	34,820
6.4 Other liabilities	243,554	136,036
Total other liabilities	352,759	221,481
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	31,900,347	28,891,555

Income statement

	€/'000	March 31, 2010	March 31, 2009
1 Revenues			
1.1 Net premiums written			
1.1.1 Gross premium written		2,692,455	602,669
1.1.2 Reinsurance premiums		(940)	(707)
Net premiums written		2,691,515	601,962
1.2 Commission income		204,192	107,118
1.3 Net income on financial instruments at fair value through profit/loss		656,818	(210,248)
1.4 Income on investments in subsidiaries, associates and JVs		3,651	768
1.5 Income on other financial instruments and investment property			
1.5.1 Interest income		64,304	80,074
1.5.2 Other income		2,901	1,185
1.5.3 Realised gains		9,388	3,928
1.5.4 Unrealised gains		4,040	1,734
Total income on other financial instruments and investment property		80,633	86,921
1.6 Other revenues		5,044	5,097
Total revenues		3,641,853	591,618
2 Costs			
2.1 Net claims and benefits			
2.1.1 Amounts paid and change in technical reserves		(3,353,322)	(381,275)
2.1.2 Reinsurers' share/recoveries from reinsurers		1,136	1,453
Net claims and benefits		(3,352,186)	(379,822)
2.2 Commission expense		(68,691)	(42,620)
2.3 Loss on other investments in subsidiaries, associates and JVs			
2.4 Loss on other financial instruments and investment property			
2.4.1 Interest expense		(15,687)	(32,698)
2.4.2 Other expenses		(80)	(41)
2.4.3 Realised losses		(238)	(1,750)
2.4.4 Unrealised losses		(8,228)	(4,013)
Loss on other financial instruments and investment property		(24,233)	(38,502)
2.5 Operating expenses			
2.5.1 Agents' commissions and other acquisition costs		(20,148)	(19,709)
2.5.2 Investment management expenses		(47)	(79)
2.5.3 Other administrative expenses		(77,396)	(77,720)
Total operating expenses		(97,591)	(97,508)
2.6 Other costs		(20,096)	(11,808)
Total costs		(3,562,797)	(570,260)
Profit (loss) before tax for the period		79,056	21,358
3 Income tax		(13,071)	(4,727)
Net profit (loss) for the period		65,985	16,631
4 Profit (loss) from discontinued operations		(29)	(13)
Group net profit (loss) for the period		65,956	16,618
Earning per share (in euro)		0.090	0.023

Statement of Comprehensive Income

€/000	March 31, 2010	March 31, 2009
CONSOLIDATED NET PROFIT (LOSS) FOR THE PERIOD	65,956	16,618
Changes in net exchange differences reserve	-	-
Profit (loss) on available for sale financial assets	(3,291)	7,481
Profit (loss) on cash flow hedges	-	-
Profit (loss) on hedges of investments in foreign operations	-	-
Changes in the equity of investees	4,499	140
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	1,208	7,621
TOTAL CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD	67,164	24,239
of which attributable to the Group	67,164	24,239



**Notes to the
consolidated
financial
statements**

Notes to the consolidated financial statements

ACCOUNTING POLICIES

● General

These interim report and accounts at March 31, 2010 were prepared in compliance with section 154-ter of Legislative Decree 58/98 (Consolidated Finance Act) entitled "*Relazioni finanziarie*" (Financial Reporting), as amended by Legislative Decree 195/2007 (Transparency), and Consob Regulations for Issuers.

● Accounting standards

The international accounting and financial reporting standards (IAS/IFRS) applied in the preparation of the consolidated financial statements for the quarter ended March 31, 2010 with respect to the consolidation, measurement and recognition of balance sheet and income statement items are consistent with 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 interim report and accounts, readers are referred to part B 'Notes to the consolidated annual financial statements' in the annual report and accounts 2009.

The consolidated balance sheet and the income statement were prepared also in accordance with ISVAP Regulation No. 7 of July 13, 2007, as subsequently amended by ISVAP Regulation 2784 of March 8, 2010.

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.

The report and the accounts include prior periods' comparative information (at March 31, 2009 and December 31, 2009). Certain reclassifications were made with respect to prior reporting periods, where necessary, for the sake of consistency of financial information.

In accordance with art. 5 of Legislative Decree No. 38 of February 28, 2005 these interim report and accounts 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	March 31, 2010	%	Dec. 31, 2009	%
Investment property	91,501	0.3	90,518	0.3
Investments in subsidiaries, associates and JVs	440,731	1.4	432,684	1.5
Held to maturity investments	1,583,238	5.1	1,581,409	5.6
Loans and receivables	5,627,039	18.2	4,847,829	17.3
Available for sale financial assets	3,797,955	12.3	2,956,206	10.6
Financial assets at fair value through profit or loss	18,984,561	61.4	17,798,081	63.6
Total investments	30,525,025	98.7	27,706,727	98.9
Tangible assets: property & other tangible assets	82,286	0.3	83,963	0.3
Cash and cash equivalents	323,800	1.0	213,764	0.8
Total investments, cash and cash equivalents	30,931,111	100.0	28,004,454	100.0

● Investments in subsidiaries, associates and joint ventures

€/000	March 31, 2010	Dec. 31, 2009
Mediobanca S.p.A.	383,746	376,543
Banca Esperia S.p.A.	56,985	56,141
Total	440,731	432,684

The movements in this account in the quarter under review mainly relate to the investments in the associates 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.

The impact on the income statement of these investments accounted for by the equity method was positive for €3.7 million versus a positive balance in the prior year, relating to Banca Esperia only, of €0.8 million. The impact of other gains or losses recognised directly in equity was positive for €4.5 million versus a positive balance in the prior year, relating to Banca Esperia only, of €0.1 million.

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

€/000	March 31, 2010	Dec. 31, 2009
Banks	2,298,098	1,587,902
Time deposits	652,593	492,413
Other loans	555,590	353,965
Debt securities	1,002,257	685,299
Reserve requirements	87,658	56,225
Banking customers	3,268,635	3,215,513
Current accounts	331,586	350,814
Repurchase agreements	103,351	44,366
Mortgage loans	2,134,349	2,065,563
Other	699,349	754,770
Others	60,306	44,414
Total	5,627,039	4,847,829

At March 31, 2010, Loans and Receivables amounted to €5,627 million, growing €779.2 million from the year end 2009 balance of €4,847.8 million.

Growth was largely in interbank lending (+ €710.2 million), in particular 'debt securities' and deposits recognised under 'other'.

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	March 31, 2010	Dec. 31, 2009
Held to maturity Investments	1,583,238	1,581,409
Debt securities	1,583,238	1,581,409
Available for sale financial assets	3,797,955	2,956,206
Debt securities	3,575,963	2,734,058
Equities	37,216	37,345
Holdings in UCITS	184,776	184,803
Financial assets at fair value through profit or loss	18,984,561	17,798,081
Debt securities	10,241,428	9,635,699
Equities	7	10
Holdings in UCITS	8,727,362	8,152,066
Trading derivatives	15,764	9,127
Hedging derivatives	-	1,179
Total	24,365,754	22,335,696

At the end of the period under review, financial assets at fair value through profit or loss amounted to €18,984.6 million, increasing €1,186.5 from the year end 2009 balance of €17,798.1 million.

● Net technical reserves

€/’000	March 31, 2010	Dec. 31, 2009
Mathematical reserves	6,829,701	5,836,372
Reserve for outstanding claims	162,329	155,955
Technical reserves for contracts under which the investment risk is borne by the policyholder and in connection with pension fund management	14,362,352	13,914,643
Other reserves	126,020	96,013
Total Life Business reserves	21,480,402	20,002,983

At March 31, 2010, technical reserves net of reinsurers’ share amounted to €21,480.4 million, up €1,477.4 from the 2009 year end balance.

Technical reserves for contracts under which the investment risk is borne by the policyholder and in connection with pension fund management amounted to €14,362.4 million, and are closely connected with underlying investments recognised as “Financial assets at fair value through profit or loss” and “Financial liabilities at fair value through profit or loss”.

● Financial Liabilities

Financial liabilities at fair value through profit or loss

€/000	March 31, 2010	Dec. 31, 2009
Total financial liabilities at fair value through profit and loss	695,702	367,748
Short positions on debt securities	521,498	258,251
Trading derivatives	66,040	22,689
Hedging derivatives	28,466	15,906
Other financial liabilities	9,362	383
Financial liabilities on contracts under which the investment risk is borne by the policyholder	70,336	70,519

At the end of the period under review, financial liabilities at fair value through profit or loss amounted to €695.7 million, up €328 million from the year end 2009 balance. The increase was mainly in connection with short positions on debt securities held by Banca Mediolanum at the end of the period (up €263.2 million).

The analysis of **Other Financial Liabilities** is set out below.

€/000	March 31, 2010	Dec. 31, 2009
Banks	2,264,172	1,644,362
Central Banks	135,509	135,345
Current accounts and demand deposits	462,411	4,103
Time deposits	1,155,555	1,055,615
Loans	435,000	445,000
Other liabilities	75,697	4,299
Banking customers	5,594,865	5,197,242
Bank accounts	5,019,448	4,861,050
Securities issued	178,793	179,450
Loans	365,791	127,350
Interest -free financing facility	12,400	12,400
Other liabilities	18,433	16,992
Other financial liabilities	98,761	99,682
Total	7,957,798	6,941,286

Other Financial Liabilities increased from €6,941.3 million at December 31, 2009 to €7,957.8 million at March 31, 2010. In particular, interbank funding was up €619.9 million and funding from customers up €397.6 million.

● Shareholders' Equity

€/000	March 31, 2010	Dec. 31, 2009
Share capital	73,142	73,140
Equity reserves	53,494	53,477
Retained earnings and other reserves	836,449	618,584
Treasury shares	(2,045)	(2,045)
Gains (losses) on available for sale financial assets	5,640	8,931
Other gains or losses recognised directly in equity	27,550	23,051
Net profit (loss) for the year attributable to the Group	65,956	217,280
Total capital and reserves attributable to the Group	1,060,186	992,418

At March 31, 2010, total capital and reserves attributable to the Group amounted to €1,060.2 million versus €992.4 million at December 31, 2009.

Gains on available for sale financial assets were down €3.3 million from €8.9 million at year end 2009 to €5.6 million at March 31, 2010.

KEY INCOME STATEMENT INFORMATION

● Technical account - Life insurance

€/000	March 31, 2010	March 31, 2009
Gross premiums written less reinsurance premiums		
– premiums written	2,691,515	601,962
Total premiums written	2,691,515	601,962
Gross amounts paid less recoveries from reinsurers		
– Amounts paid	(1,847,321)	(465,432)
– Change in reserve for outstanding claims	(3,928)	14,547
– Change in mathematical reserves	(996,930)	(39,341)
– Change in other technical reserves	(17,655)	1,864
– Change in technical reserves for contracts under which the investment risk is borne by the policyholder and reserves relating to pension fund management	(486,352)	108,540
Total amounts paid and change in reserves	(3,352,186)	(379,822)
Life Insurance net income (expense)	(660,671)	222,140

● Commission income

€/000	March 31, 2010	March 31, 2009
Management, brokerage and consulting services	184,655	92,254
Collection and payment services	9,653	6,475
Loadings on investment contracts	227	705
Other services	9,657	7,684
Total	204,192	107,118

For enhanced accurateness of March 31, 2009 comparative information, a €251 thousand amount was reclassified out of 'Commission Income' to 'Other Revenues'.

● Commission expenses

€/000	March 31, 2010	March 31, 2009
Management, brokerage and consulting services	52,461	31,229
Collection and payment services	9,046	6,227
Acquisition of investment contracts	167	238
Other services	7,017	4,926
Total	68,691	42,620

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

€/000	March 31, 2010	March 31, 2009
Financial assets		
Interest income and other investment income:		
– from financial assets held for trading	21,562	16,787
– from financial assets at fair value through profit or loss	48,667	45,922
Net income (loss) on financial assets held for trading	32,503	1,851
Net income (loss) on financial assets at fair value through profit or loss	544,060	(262,693)
Financial liabilities		
Interest expense and similar charges:		
– on financial liabilities held for trading	(4,084)	(9,475)
– on financial liabilities at fair value through profit or loss	(88)	-
Net income (loss) on financial liabilities held for trading	(3,613)	(2,425)
Net income (loss) on financial liabilities at fair value through profit or loss	17,811	(215)
Total	656,818	(210,248)

At March 31, 2010, 'Net income on financial assets held for trading' amounted to €32,503 thousand (Q1 2009: €1,851 thousand) largely thanks to net income on debt securities that amounted to €33,542 thousand, of which €28,176 thousand relating to net unrealised gains. For the period under review, the Group recorded a 'net loss on financial liabilities held for trading' of €3,613 thousand (Q1 2009: loss of €2,425 thousand).

'Net income on financial assets/liabilities at fair value through profit or loss' amounted to €561,871 thousand (Q1 2009: loss of €262,908 thousand) and largely related to changes in the value of assets underlying index-linked and unit-linked policies under which the investment risk is borne by the policyholder.

● Net income on other financial instruments and investment property

€/000	March 31, 2010	March 31, 2009
Interest income and other income	67,205	81,259
Realised gains	9,388	3,928
Unrealised gains	4,040	1,734
Total income	80,633	86,921
Interest expense and other charges	(15,767)	(32,739)
Realised losses	(238)	(1,750)
Unrealised losses	(8,228)	(4,013)
Total expense	(24,233)	(38,502)
Total net income	56,400	48,419

Net income from

€/000	March 31, 2010	March 31, 2009
Investment property	1,238	68
Held-to-maturity investments	12,423	18,320
Available-for-sale financial assets	32,564	15,238
Loans and receivables	25,860	47,492
Financial liabilities	(15,685)	(32,699)
Total net income	56,400	48,419

For enhanced accurateness of March 31, 2009 comparative information, a €72 thousand amount was reclassified out of 'Other Expenses' to 'Net income on other financial instruments and investment property'.

Net income from investment property

€/000	March 31, 2010	March 31, 2009
Other income	1,608	121
Other expenses	(77)	(40)
Unrealised losses	(293)	(13)
Total	1,238	68

Net income from held-to-maturity investments

€/000	March 31, 2010	March 31, 2009
Interest income & other income	12,423	18,082
Realised gains	-	238
Total	12,423	18,320

Net income from available-for-sale financial assets

€/000	March 31, 2010	March 31, 2009
Interest income and other income	23,499	13,298
Realised gains	9,303	3,690
Unrealised gains	-	-
Realised losses	(238)	(1,750)
Unrealised losses	-	-
Total	32,564	15,238

Net income from loans and receivables

€/000	March 31, 2010	March 31, 2009
Interest income and other income	29,675	49,758
Realised gains	85	-
Unrealised gains	4,035	1,734
Unrealised losses	(7,935)	(4,000)
Total	25,860	47,492

Due to dramatic interest rate cuts, 'interest income and other income' declined from €49,758 thousand at March 31, 2009 to €29,675 thousand at the end of the quarter under review. This item mainly relates to loans to banking customers for €22,310 thousand (Q1 2009: €34,957 thousand) and loans to banks for €7,359 thousand (Q1 2009: €14,745 thousand).

Net expense from financial liabilities

€/000	March 31, 2010	March 31, 2009
Interest expense and other expenses	(15,690)	(32,699)
Unrealised gains	5	-
Total	(15,685)	(32,699)

● Operating expenses

€/000	March 31, 2010	March 31, 2009
Commissions and other expenses relating to the management of insurance contracts	20,148	19,709
Investment management expenses	47	79
Other administrative expenses	77,396	77,720
Total	97,591	97,508

For enhanced accurateness of March 31, 2009 comparative information, a €957 thousand amount was reclassified out of 'other administrative expenses' to 'Other Revenues'.

● Other expenses

€/000	March 31, 2010	March 31, 2009
Total	20,096	11,808

For enhanced accurateness of March 31, 2009 comparative information, a €72 thousand amount was reclassified out of 'Other Expenses' to 'Net income on other financial instruments and investment property'.

Other Expenses increased from €11,808 thousand at March 31, 2009 to €20,096 thousand at the end of the quarter under review, mainly in connection with greater provisions for risks and charges for a total amount of €7,390 thousand to cover contractual obligations to the sales network and the risk of financial advisors' misconduct.

INCOME STATEMENT 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.

To ensure utmost consistency of data and comparability with balances at March 31, 2009, in accordance with IFRS 8, the Group reclassified prior year's data as per the new segment reporting approach

● 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 MARCH 31, 2010

€/000	ITALY				Consolidation adjustments	Total
	Life	Banking	Asset Mng.	Other		
Net premiums written	2,666,479	-	-	-	-	2,666,479
Amounts paid & change in technical reserves	(2,661,320)	-	-	-	-	(2,661,320)
Life revenues ex-commission	5,159	-	-	-	-	5,159
Entry fees	-	-	28,051	-	-	28,051
Management fees	46,423	-	35,795	-	-	82,218
Performance fees	28,825	-	22,475	-	-	51,300
Banking services fees	-	21,253	-	-	(158)	21,095
Other fees	2	1,616	4,244	-	-	5,862
Total commission income	75,250	22,869	90,565	-	(158)	188,526
Net interest income	5,570	28,356	264	(30)	-	34,160
Net income on investments at fair value	3,575	2,676	(7)	-	-	6,244
Net financial income	9,145	31,032	257	(30)	-	40,404
Equity method				3,651	-	3,651
Net income on other investments	5,091	(2,708)	(22)	(1,280)	-	1,081
Other revenues	3,285	1,324	42	250	-	4,901
TOTAL REVENUES	97,929	52,517	90,843	2,590	(158)	243,722
Commission expenses & acquisition costs	(29,146)	(12,412)	(38,254)	-	-	(79,812)
G&A expenses	(24,462)	(32,178)	(18,488)	(506)	158	(75,476)
Amortisation and depreciation	(1,043)	(2,169)	(820)	(13)	-	(4,045)
Net provisions for risks	(1,527)	(565)	(2,322)	-	-	(4,414)
TOTAL COSTS	(56,178)	(47,325)	(59,883)	(519)	158	(163,747)
PROFIT/ (LOSS) BY SEGMENT BEFORE TAX	41,751	5,192	30,960	2,072		79,975
Income Tax						(13,386)
NET PROFIT / (LOSS)						66,589

FOREIGN

Spain	Germany	Consolidation adjustments	Total
19,867	5,169	-	2,691,515
(16,986)	(4,613)	-	(2,682,919)
2,881	556	-	8,596
915	43	-	29,009
2,703	1,049	(28)	85,942
934	454	-	52,688
1,399	7,859	(1)	30,352
312	27	-	6,201
6,263	9,432	(29)	204,192
1,290	115	-	35,565
(24)	(64)	-	6,156
1,266	51	-	41,721
-	-	-	3,651
193	-	-	1,274
170	51	(78)	5,044
10,773	10,090	(107)	264,478
(4,327)	(7,465)	29	(91,575)
(6,285)	(3,036)	78	(84,719)
(389)	(470)	-	(4,904)
161	-	-	(4,253)
(10,840)	(10,971)	107	(185,451)
(67)	(881)		79,027
397	(82)		(13,071)
330	(963)		65,956

INCOME STATEMENT BY OPERATING SEGMENT AT MARCH 31, 2009

€/000	ITALY				Consolidation adjustments	Total
	Life	Banking	Asset Mng.	Other		
Net premiums written	588,915	-	-	-	-	588,915
Amounts paid & change in technical reserves	(573,626)	-	-	-	-	(573,626)
Life revenues ex-commission	15,289	-	-	-	-	15,289
Entry fees	-	-	12,691	-	-	12,691
Management fees	33,641	-	22,680	-	-	56,321
Performance fees	5,741	-	3,824	-	-	9,565
Banking services fees	-	14,846	-	-	(167)	14,679
Other fees	505	1,091	3,305	-	-	4,901
Total commission income	39,887	15,938	42,499	-	(167)	98,157
Net interest income	4,228	40,952	385	(1,758)	-	43,807
Net income on investments at fair value	283	(3,572)	(2)	-	-	(3,291)
Net financial income	4,511	37,380	383	(1,758)	-	40,516
Equity method				768		768
Net income on other investments	1,520	(545)	-	45	-	1,020
Other revenues	3,605	1,319	55	332	-	5,311
TOTAL REVENUES	64,812	54,092	42,938	(614)	(167)	161,061
Commission expenses & acquisition costs	(26,029)	(10,294)	(18,854)	-	-	(55,176)
G&A expenses	(26,484)	(29,913)	(18,853)	(490)	167	(75,573)
Amortisation and depreciation	(955)	(1,841)	(667)	(25)	-	(3,488)
Net provisions for risks	(339)	(71)	(229)	(16)	-	(655)
TOTAL COSTS	(53,806)	(42,119)	(38,603)	(531)	167	(134,892)
PROFIT/ (LOSS) BY SEGMENT BEFORE TAX	11,006	11,973	4,335	(1,145)		26,169
Income Tax						(5,667)
NET PROFIT / (LOSS)						20,502

FOREIGN

Spain	Germany	Consolidation adjustments	Total
11,581	1,466	-	601,962
(10,827)	(1,390)	-	(585,843)
754	76	-	16,119
371	50	-	13,112
1,982	856	(43)	59,116
153	28	-	9,746
1,195	4,047	(1)	19,920
310	13	-	5,224
4,011	4,994	(44)	107,118
2,299	279	-	46,385
(217)	(136)	-	(3,644)
2,082	143	-	42,741
-	-	-	768
(66)	53	-	1,007
96	45	(355)	5,097
6,877	5,311	(399)	172,850
(2,891)	(4,402)	44	(62,425)
(7,623)	(2,696)	355	(85,537)
(345)	(263)	-	(4,096)
1,208	-	-	553
(9,651)	(7,361)	399	(151,505)
(2,774)	(2,050)	-	21,345
954	(14)	-	(4,727)
(1,820)	(2,064)	-	16,618



**Responsibility
Statement**

Responsibility Statement

I, the undersigned Luigi Del Fabbro, Chief Financial Officer responsible for Mediolanum S.p.A. accounting and financial reporting, pursuant to section 154 bis, second paragraph, of Legislative Decree 58 of February 24, 1998 (Consolidated Finance Act)

HEREBY CONFIRM

that the financial information contained in the Consolidated Interim Report and Accounts at March 31, 2010, reflects the accounting entries, records and books.

Basiglio, May 13, 2010

The Chief Financial Officer
(*Luigi Del Fabbro*)

