

MEDIOLANUM S.p.A.

**Interim report
and accounts
at March 31
2008**

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MEDIOLANUM S.p.A.

**Interim report
and accounts
at March 31
2008**

Registered Office: Basiglio – Milano 3 - Via F. Sforza – Meucci Building
Capital Stock € 72,948,710.90 fully paid in
Tax Code, VAT No. and Reg. No. in the Milan Trade and Companies
Reg. 11667420159

Corporate Governance Officers

BOARD OF DIRECTORS

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

BOARD OF STATUTORY AUDITORS

Simonelli Ezio Maria	Chairman
Dalocchio Maurizio	Standing Auditor
Perotta Riccardo	Standing Auditor
Vittadini Francesco	Alternate Auditor
Gatti Ferdinando Giuseppe	Alternate Auditor

BOARD SECRETARY

Luca Maria Rovere

INDEPENDENT AUDITORS

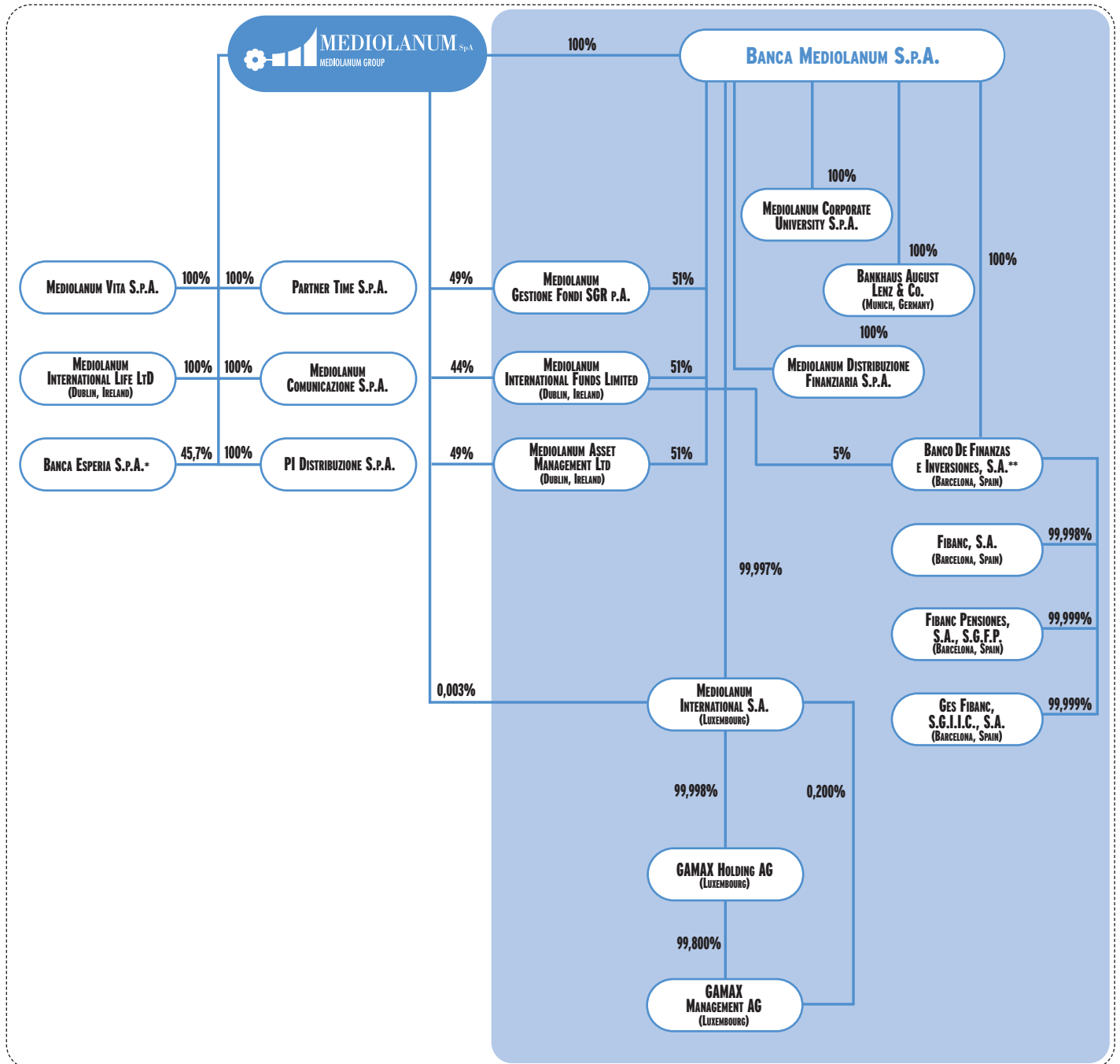
Reconta Ernst & Young S.p.A.

OFFICER RESPONSIBLE FOR PREPARING CORPORATE ACCOUNTING AND FINANCIAL REPORTING DOCUMENTS

Luigi Del Fabbro

Group structure

AS OF MARCH 31, 2008



- THE MEDIOLANUM FINANCIAL CONGLOMERATE
- THE MEDIOLANUM BANKING GROUP

* Shareholding to be increased by 2.80% in connection with Banca Esperia Stock Options, under an irrevocable commitment to buy.
 ** The company holds also a 99.990% stake in Fiban FAIF S.A., whose liquidation is being completed.

Financial highlights

€/m	March 31, 08	March 31, 07	Change %
Assets under management and administration (*)	32,393	33,951	-5%
Gross Inflows	1,914	2,547	-25%
Net inflows	196	645	-70%
Profit before tax	40	80	-50%
Income tax	(9)	(19)	-53%
Net profit	31	61	-49%

€	March 31, 08	March 31, 07	change %
Earnings per share (#)	0.042	0.084	-50%

(*) 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.

Summary key financials

ASSETS UNDER MANAGEMENT AND ADMINISTRATION (*)

€/m	March 31, 2008	March 31, 2007	Dec. 31, 2007
Life products	13,796.3	14,274.3	14,682.8
Mutual funds and managed accounts	13,753.8	15,542.8	15,232.6
Banking products	5,548.4	5,148.5	5,596.6
Consolidation adjustments	(7,421.1)	(7,790.8)	(8,141.4)
Banca Esperia Group (**)	4,314.6	3,671.9	4,519.2
DOMESTIC MARKET	29,992.0	30,846.7	31,889.8
Life products	359.3	344.8	399.7
Mutual funds and managed accounts	992.2	1,233.7	1,113.5
Banking products	1,296.5	1,839.8	1,463.2
Other products	1.0	1.4	1.3
Consolidation adjustments	(248.2)	(314.9)	(269.6)
FOREIGN MARKETS	2,400.8	3,104.8	2,708.1
MEDIOLANUM GROUP	32,392.8	33,951.5	34,597.9

(*) The figures relate to retail customers only.

(**) The figures relating to Banca Esperia are stated on a pro-rata basis according to the stake held in that entity (48.5%).

INFLOWS

Gross Inflows

€/m	March 31, 2008	March 31, 2007	Change %
ITALY			
- Life products	759.8	864.3	-12%
- Mutual funds and managed accounts	565.0	748.5	-25%
- Bank accounts and securities accounts	289.1	140.0	+107%
- Other products	6.3	7.1	-11%
- Banca Esperia Group (48.5%)	223.1	599.0	-63%
SPAIN			
- Life products	26.4	53.7	-51%
- Mutual funds and managed accounts	72.2	143.4	-50%
- Bank accounts and securities accounts	(58.0)	(26.6)	118%
GERMANY			
- Life products	3.6	2.2	+64%
- Mutual funds and managed accounts	7.6	15.3	-50%
- Bank accounts and securities accounts	19.1	0.2	n/a
TOTAL	1,914.3	2,547.2	-25%

Net inflows

€/m	March 31, 2008	March 31, 2007	Change %
ITALY			
- Life products	306.7	376.9	-19%
- Mutual funds and managed accounts	(91.3)	(98.0)	-7%
- Bank accounts and securities accounts	289.1	140.0	+107%
- Other products	1.8	1.1	+64%
- Banca Esperia Group (48.5%)	(224.6)	238.1	-194%
SPAIN			
- Life products	6.0	14.5	-59%
- Mutual funds and managed accounts	(40.5)	34.2	-218%
- Bank accounts and securities accounts	(58.0)	(26.7)	+117%
GERMANY			
- Life products	3.0	1.3	+131%
- Mutual funds and managed accounts	(15.3)	(36.5)	-58%
- Bank accounts and securities accounts	19.1	0.2	n/a
TOTAL	196.0	645.1	-70%

The sales networks

Number		March 31, 2008	March 31, 2007
Italy	Mediolanum Banking Group (*)		
	- Licensed advisors	5,096	4,036
	- Non-licensed advisors / agents	1,260	2,439
Spain	Fibanc	679	588
Germany	Bankhaus August Lenz	38	41
TOTAL		7,073	7,104

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

The macroeconomic environment

In the first quarter of 2008, the subprime mortgage crisis broken out in the previous year reverberated on the entire financial sector and contributed to the slowdown in the US economy. In the period under review, GDP growth stalled at 0.6% on an annual basis, confirming the downturn trend of the final part of 2007.

The lack of confidence among lenders continued to fuel tensions on inter-bank markets. To ease tensions Central Banks repeatedly injected liquidity into the market and, in some cases, cut interest rates. Specifically, in the period under review, the Federal Reserve cut Fed Funds rates from 4.25% to 2.25%, the Bank of England decided on a 25 basis points rate cut in February, while the ECB left rates unchanged at 4% due to the persistent risk of inflation, in spite of the unfavourable economic cycle.

The Federal Reserve also had to bail out the US bank Bear Stearns which did not default only because it was acquired by JP Morgan.

In the first months of 2008, in the US, the households' reduced ability to access credit further worsened consumer confidence. On the supply side, business sentiment deteriorated and investments declined.

Despite the strengthening of the Euro against the US dollar and the concerns about the repercussions of a possible US recession on the world economy, the much feared slowdown in the European economies has not materialised yet. In Germany, the unemployment rate declined to 8%, and business confidence remained stable.

Emerging economies continued to grow at a sustained pace. It remains to be seen, over the next few months, whether these economies will be only marginally affected by the slowdown in the US economy due to their limited dependence on US exports.

The persistence of deteriorated macroeconomic conditions, especially in the world's largest economy, and tight credit conditions generated increased aversion to any financial risks, favouring only treasuries issues. Stock market performance reflected the marked increase in investors' risk premium which became really steep at the time of the Bear Stearns crisis. On that occasion, there were huge sell-offs in the world's major stock markets and indices fell, in certain cases, by more than 20% since the beginning of the year. The MSCI (Morgan Stanley Capital International) World index, one of the world's major indices posted its worst first quarter performance (down 17%) since its launch on December 31, 1969.

On that occasion, the Federal Reserve sent out clear signals to the markets of its willingness to use even unconventional monetary policy measures to ease the crisis. This boosted investor confidence and markets turned to the upside at the end of the quarter. However, all market players are aware that solving the credit crisis is key to overcoming the current financial market uncertainties.

Bond markets performance was the mirror image of stock markets. Inflation data, especially in the eurozone, make it unlikely for long-term yields to lower and the ECB to ease its monetary policy in the coming months.

The US dollar lost value dramatically against the Euro and any further weakening would be hardly justifiable.

The insurance market

The data released by the Association of Italian Insurers (ANIA) shows that new business written in the period January-February 2008 amounted to €6,225 million down 17.9% over the prior year. Specifically, premiums written through banks and post offices, which account for about 61.5% of total sales, declined 29.1%, while premiums written through financial advisors, that account for 8.4% of total sales, were up 69.1% to €605 million.

The analysis by product type shows that premiums written for traditional products, in class I, rose 11.0%, while for products in class V declined 36.2%. New business written in class III, which account for about 51.4% of total new life business was down 32.8% in the two-month period.

MEDIOLANUM S.p.A.

**Business
review
at March 31
2008**

Business review

The Mediolanum Group

At March 31, 2008, the Mediolanum Group reported net profit of €30,877 thousand, down 49.5% from €61,078 thousand in the first quarter 2007.

Q1 2008 financial results were adversely impacted by the financial market crisis. Net commission income declined €26.6 million due to the decreased value of assets under management, lower performance fees, as well as lower income from insurance business (- €18.4 million), especially investment products.

The market turbulence adversely impacted also the value of financial instruments measured at fair value at the end of the quarter (- €15.1 million) while, thanks to greater lending and deposits, net interest income hit €8.4 million.

At March 31, 2008, total assets under management and administration amounted to €32,392.8 million, down 4.6% from €33,951.5 million in the first quarter of 2007, and down 6.4% from €34,597.9 million at December 31, 2007.

Against this backdrop, it should be noted, however, that Banca Mediolanum S.p.A. reported net inflows of €506 million, up 21% over the prior year.

As to Life Products and Mutual Funds, according to the data released by Assoreti, the Italian Association of Sales Networks in the Financial Services Industry, for the first time ever the Italian market recorded net outflows of €4.5 billion, while Banca Mediolanum reported net inflows of €215 million on the domestic market.

In addition, the €155 million net inflows into mutual funds and managed accounts reported by Banca Mediolanum on the domestic market are to be considered a more-than-satisfactory figure considering that Italy's asset management industry posted net outflows of €36.8 billion (source: Assogestioni, Italy's Asset Managers Association).

Among the main events which took place in the recently ended quarter there is the agreement signed in March with Santander Consumer Bank for the distribution of personal loans and targeted loans originated by the latter, through the sales network of the Mediolanum Banking Group. The agreement made with Santander Consumer Bank enables the Mediolanum Group to expand the breadth and depth of its product offering.

In addition, in the first quarter of 2008, the Mediolanum Banking Group signed three major commercial agreements with three leading international players, i.e. Black Rock, JP Morgan Asset Management and Morgan Stanley Investment Management. Thanks to these agreements Mediolanum International Funds Ltd's "Top Managers" Funds family was expanded to include 3 new Global Selection products which invest in a suite of cherry-picked funds of each of the asset managers above. Thus, Mediolanum customers have now the opportunity of investing across geographies and industries. The distinctive trait of this new offering is the synergies between the Mediolanum Group and the management teams of each asset managers above that combine the quality management skills and advice of said asset managers with the Mediolanum Group's consolidated investment strategies.

Income statement information

€/000	March 31, 2008	March 31, 2007	Change	Change %
Net premiums written	784,258	912,903	(128,645)	(14)
(Amounts paid) Net claims & benefits and change in reserves	(748,076)	(858,294)	110,218	(13)
Net Life insurance revenues (ex. commissions)	36,182	54,609	(18,427)	(34)
Entry fees	12,802	14,446	(1,644)	(11)
Management fees	75,165	83,499	(8,334)	(10)
Performance fees	5,016	14,589	(9,573)	(66)
Banking service fees	16,937	19,597	(2,660)	(14)
Other fees	7,990	12,360	(4,370)	(35)
Total commission income	117,910	144,491	(26,581)	(18)
Interest income and similar income	83,077	60,419	22,658	38
Interest expense and similar charges	(44,846)	(30,585)	(14,261)	47
Net income on investments at fair value	(10,163)	4,990	(15,153)	(304)
Net financial income	28,068	34,824	(6,756)	(19)
Realised gains/losses on other investments	2,656	6,949	(4,293)	(62)
Net impairment on other investments	(1,307)	(41)	(1,266)	n/a
Net income on other investments	1,349	6,908	(5,559)	(80)
Other revenues	6,218	6,966	(748)	(11)
TOTAL REVENUES	189,727	247,798	(58,071)	(23)
Commission expenses and acquisition costs	(65,576)	(79,773)	14,197	(18)
General and administrative expenses	(78,922)	(77,952)	(970)	1
Amortisation and depreciation	(3,801)	(6,270)	2,469	(39)
Provisions for risks and charges	(1,131)	(3,361)	2,230	(66)
TOTAL COSTS	(149,430)	(167,356)	17,926	(11)
PROFIT BEFORE TAX	40,297	80,442	(40,145)	(50)
Income tax	(9,420)	(19,364)	9,944	(51)
Minority interests	-	-	-	n/a
NET PROFIT FOR THE PERIOD	30,877	61,078	(30,201)	(49)

The global financial crisis had an adverse impact on the Mediolanum Group's Q1 2008 financial results. The net profit for the period of €30.9 million, halved from €61.1 million in the past year.

Net premiums written in the period amounted to €784.3 million, down 14% from €912.9 million in the prior year.

Net claims and benefits and change in reserves declined 13% from €858.3 million at March 31, 2007 to €748.1 million.

Net life insurance revenues before acquisition costs amounted to €36.2 million versus €54.6 million in the prior year. The lower income was largely due to lower loadings earned on products sold in the quarter as a result of lower sales and the different mix of products sold.

Commission income for the period amounted to €117.9 million versus €144.5 million in the first quarter of 2007. The €26.6 million decline was largely due to the negative performance of financial markets in first quarter of 2008, which entailed a lower level of performance fees (down €9.6 million) and management fees (down €8.3 million) as a result of lower NAV of assets under management.

The market turmoil had an adverse impact also on **net financial income** and on **realised gains on other investments**, which in the aggregate, declined from €41.8 million at March 31, 2007 to €30.7 million at the end of the quarter under review. The €11.1 million decrease was due to lower realised gains on trading of financial instruments and larger losses resulting from fair value measurement of financial instruments held for trading. The positive performance of net interest income was essentially due to growing lending and deposits.

Due to lower revenues **acquisition costs and other commission expenses** declined to €65.6 million from €79.8 million in the prior year.

Other expenses (general and administrative expenses, amortisation, depreciation and provisions for risks and charges) were down 4% to €83.9 million from €87.6 million in the prior year.

Income tax for the period amounted to €9.4 million (tax rate of 23.4%) versus €19.4 million at March 31, 2007.

Business segments analysis

Life Insurance

The financial market turmoil in the first quarter of 2008 entailed the decline in the value of assets invested in life products from €15,082.5 million at year end 2007 to €14,155.6 million at the end of the first quarter of 2008 (vs. €14,619.1 million at March 31, 2007).

The analysis of assets invested in life products, on a management basis, is set out in the table below.

€/000	March 31, 2008	March 31, 2007	Dec. 31, 2007
Unit Linked products	7,370.6	7,710.0	8,114.9
Index Linked products	5,448.2	5,623.0	5,615.0
Traditional products	1,336.8	1,286.1	1,352.6
Total Life Products	14,155.6	14,619.1	15,082.5

Premiums written in the quarter under review amounted to €789.7 million, down 14% from €920.3 million at March 31, 2007.

New life business stood at €501.0 million, down 21% from €634.0 million at March 31, 2007.

The analysis of net premiums written, on a management basis, is set out in the table below.

€/000	March 31, 2008	March 31, 2007	Change
Recurring premiums	93,109	38,255	54,854
Single premiums and group policies	407,913	595,697	(187,784)
Total new business	501,022	633,952	(132,930)
Pension plans in-force	201,434	199,922	1,512
Other business in-force	87,245	86,404	841
Total in-force business	288,679	286,326	2,353
Total gross premiums written	789,701	920,278	(130,577)
Ceded premiums	(1,072)	(1,152)	80
Premiums relating to financial contracts (IFRS4)	(1,890)	(2,970)	1,080
Pension funds of entities other than insurers	(2,481)	(3,253)	772
Net Premiums Written	784,258	912,903	(128,645)

The decline in new business written was mainly due to the decrease in "single premiums and group policies" amounting to €187.8 million, of which €117.3 million related to unit-linked products under Investment Plans. "Recurring premiums" rose by €54.9 million especially thanks to business written under the new retirement product "Tax Benefit New".

The analysis of premiums written by class clearly shows that business written by Group companies was almost exclusively in class III:

€/000	March 31, 2008	March 31, 2007	Change
Insurance/reinsurance			
Class I Traditional life policies	11,641	11,808	(167)
Class III Fund-related insurance	771,793	902,122	(130,329)
Class V Investment plans	3,459	3,317	142
Class VI Pension funds	2,808	3,031	(223)
Total	789,701	920,278	(130,577)

In the quarter under review, total amounts paid and change in reserves amounted to €748.1 million versus €858.3 million in the first quarter of the prior year:

€/000	March 31, 2008	March 31, 2007	Change
Surrenders	201,228	363,533	(162,305)
Maturities	247,206	146,372	100,834
Claims	17,777	14,047	3,730
Annuities	1,451	1,403	48
Total amounts paid	467,662	525,355	(57,693)
Change in Technical Reserves	281,933	334,304	(52,371)
Recovery from reinsurance	(1,519)	(1,365)	(154)
Total amounts paid and change in reserves	748,076	858,294	(110,218)

The decline in total amounts paid was primarily in connection with lower surrenders in the quarter under review. The higher balance for this account in the prior year had benefited from a number of sales and marketing initiatives with customers.

The year-on-year increase in maturities consists of €75 million relating to index-linked products and €25 million relating to unit-linked products.

In the first quarter of 2008, the subsidiary **Mediolanum Vita S.p.A.** reported premiums written of €550.5 million versus €341.4 million in the prior year (up 61%). New business written increased from €57.2 million in the first quarter of 2007 to €256.5 million at the end of the quarter under review, of which €56.1 million generated by the retirement product "Tax Benefit New". In-force business premiums stood at €295.1 million, remaining on the same level as in the prior year as at March 31, 2007 they had amounted to €285.3 million.

At March 31, 2008, mathematical reserves and financial liabilities to policyholders amounted to €10,807.8 million, down 7.9% from €11,663.4 million at December 31, 2007.

For the first quarter 2008, **Mediolanum Vita S.p.A.** reported net profit of €8.7 million versus €11.8 million at March 31, 2007.

In the quarter under review, the Irish company **Mediolanum International Life Ltd** reported premiums written of €235.6 million versus €574.5 million at March 31, 2007.

At March 31, 2008, mathematical reserves and financial liabilities to policyholders amounted to €3,364.7 million, slightly down from €3,408.4 million at December 31, 2007.

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

For the first quarter 2008, **Mediolanum International Life Ltd** reported net profit of €3.5 million versus €10.5 million at March 31, 2007.

Net profit (loss) of life insurance subsidiaries consolidated on a line-by-line basis:

€/000	March 31, 2008	March 31, 2007
Mediolanum Vita S.p.A.	8,660	11,795
Partner Time S.p.A.	(264)	(238)
Mediolanum International Life Ltd	3,506	10,469

Asset Management

The financial market turmoil in the first quarter of 2008 brought about the decline in assets under management from €16,346.1 million at December 31, 2007 to €14,746.0 million at the end of the first quarter 2008 (vs. €16,776.5 million at March 31, 2007).

€/000	March 31, 2008	March 31, 2007	Dec. 31,2007
Equity funds	8,784.0	11,065.1	10,303.1
Bond funds	2,048.4	2,297.9	2,058.1
Cash funds	1,377.5	1,273.5	1,364.1
Balanced Funds	345.2	531.5	399.3
Flexible Funds	574.3	122.8	551.6
Dedicated Funds	96.2	110.1	104.5
Funds of Funds	1,053.7	600.0	1,172.9
Funds of Hedge Funds	574.3	441.9	574.4
Other funds	32.9	6.0	5.9
Duplications	(940.5)	(1,463.2)	(1,085.3)
Total Mutual Funds investing in securities	13,945.8	14,985.6	15,448.6
Real Estate Funds	366.7	342.4	361.9
Pension Funds	99.1	108.9	110.8
Managed Accounts	334.4	1,339.6	424.7
Total Mutual Funds and Managed Accounts	14,746.0	16,776.5	16,346.1

The adverse financial market conditions in the first months of 2008 entailed the decline in inflows of retail customer assets. Specifically, in the retail segment, the Group reported gross inflows of €644.8 million versus €907.2 million in the prior year, and net outflows of €147.1 million versus net outflows of €100.3 million at March 31, 2007. However, despite the adverse market conditions, total gross inflows, including both retail and institutional customers, grew 16% to €1,557.7 million from €1,338.7 million in the same period of the prior year. Total net inflows amounted to €62,6 million versus €18.5 million at March 31, 2007.

The analysis of the performance of the main Group asset management companies in the first quarter of 2008 is set out below.

For the first quarter of 2008, the Irish subsidiary **Mediolanum International Funds Ltd** reported net inflows of €166.1 million versus €219.8 million at March 31, 2007.

At March 31, 2008, total assets under management, which are exclusively invested in mutual funds investing in securities, amounted to €12,630.0 million, down 10.3% from €14,050 million at December 31, 2007.

For the first three months of 2008, **Mediolanum International Funds Ltd** reported net profit of €22,135 thousand, down from €33,396 thousand at March 31, 2007, due to lower performance fees earned in the quarter.

The funds managed by **Mediolanum International Funds** are distributed in Italy, Spain and Germany. Specifically, in the Retail segment, funds are distributed through the sales network of the **Mediolanum Banking Group's** banks, while, in the Institutional segment, they are distributed largely to the fellow subsidiaries **Mediolanum Vita S.p.A.** and **Mediolanum International Life Ltd.**

In the quarter under review, the subsidiary **Mediolanum Gestione Fondi SGR p.A.** reported net outflows of €24.4 million, slightly improving over the net outflows of €25,2 million posted at March 31, 2007.

At March 31, 2008, assets under management, invested in mutual funds, real estate funds and one pension fund, amounted to €2,090.1 million, down 7.8% from €2,266.5 million at December 31, 2007.

At March 31, 2008, assets managed on mandates from fellow subsidiaries amounted to €11,375.1 million versus €12,302.5 million at December 31, 2007; while assets managed by a fellow subsidiary on behalf of Mediolanum Gestione Fondi SGR p.A amounted to €117 million versus €139 million at December 31, 2007.

For the first quarter of 2008, **Mediolanum Gestione Fondi SGR p.A.** reported net profit of €1,047 thousand down from €1,621 thousand at December 31, 2007. The decline was largely due to lower management fees earned in the period.

At March 31, 2008, the Luxembourg-based company **Gamax Management AG** reported net outflows of €15.6 million versus net outflows of €38.0 million in the prior year. At the end of the quarter under review, assets under management amounted to €233.5 million versus €276.2 million at the end of the prior year.

For the first quarter of 2008, **Gamax Management AG** reported net profit of €266 thousand versus €1,022 thousand at March 31, 2007. The decline was largely due to lower management fees and performance fees earned in the period under review.

Net profit (loss) of asset management subsidiaries consolidated on a line-by-line basis:

€/000	March 31, 2008	March 31, 2007
Mediolanum International Funds Ltd.	22,135	33,396
Mediolanum Asset Management Ltd.	2,788	2,677
Mediolanum Gestione Fondi SGR p.A.	1,047	1,621
Gamax Management AG	266	1,022

Banking and Distribution of asset management products

This segment includes those Group companies, which in addition to providing banking products and services also distribute asset management product of other Group companies through the respective family bankers networks. Specifically, in the quarter under review, inflows into banking assets under administration climbed by a notable 70% to €186,6 million from €109.7 million at March 31, 2007.

At March 31, 2008, **Banca Mediolanum S.p.A.** reported net profit of €19,737 thousand versus €25,400 thousand in the comparative period.

At the end of the recently ended quarter, Banca Mediolanum reported customer deposits of €5,196 million, growing by €52 million from €5,044 million at December 31, 2007. At March 31, 2008, the total number of bank accounts was 539,579 versus 533,679 at December 31, 2007 and 479,896 at March 31, 2007.

At the end of the quarter under review, loans to customers amounted to €1,662 million versus €1,523 million at December 31, 2007. The lending growth was largely in connection with the increase in mortgage loans extended in the period, which, at the end of March 2008, amounted to €606 million, climbing 17.9% from €515 million at December 31, 2007.

At the end of the quarter under review, net financial income was €29,855 thousand versus €27,779 thousand in the comparative period. Although adversely impacted by the write-downs resulting from the fair value measurement of securities held at March 31, 2008, net financial income increased over the prior year thanks to the growth in customer deposits and lending as well as wider spreads as a result of interest rate hikes.

The financial market downturn entailed lower net commission income, which declined from €31,567 thousand in the prior year to €24,824 thousand at March 31, 2008. The decline was largely in connection with the lower NAV of assets under management and the lower inflows recorded in the quarter.

At March 31, 2008, the sales network had 6,356 members (vs. 6,382 at December 31, 2007), of whom 5,096 licensed advisors (vs. 5,040 at December 31, 2007).

For the first quarter of 2008, the Spanish Banking Group **Banco de Finanzas e Inversiones (Fibanc)** reported net profit of €422 thousand versus €1,428 thousand in the same period of the past year.

At March 31, 2008, total assets under management and administration amounted to €2,070.4 million, down 12% from €2,353 million at December 31, 2007.

For the first quarter of 2008, the Fibanc Group reported net outflows of €92.5 million versus net inflows of €22.1 million in the prior year (of which €48.8 million relating to managed accounts).

At the end of the quarter under review, the Fibanc sales network consisted of 679 people (vs. 588 at March 31, 2007), of whom 638 financial advisors (vs. 539 at March 31, 2007) relying on the same business model as Banca Mediolanum financial advisors.

For the first quarter of 2008, the German bank **Bankhaus August Lenz** reported a net loss of €1,725 thousand, slightly improving from the net loss of €1,978 thousand posted at March 31, 2007.

For the quarter under review, Bankhaus August Lenz reported net inflows of €22.3 million growing from €2.4 million in the prior year. At March 31, 2008 the sales network consisted of 38 people versus 41 at March 31, 2007.

Net profit (loss) of banking subsidiaries consolidated on a line-by-line basis:

€/000	March 31, 2008	March 31, 2007
Banca Mediolanum S.p.A.	19,737	25,400
Mediolanum Distribuzione Finanziaria S.p.A.	(71)	8
Gruppo Banco de Finanzas e Inversiones S.A. – Fibanc	422	1,428
Bankhaus August Lenz & Co. AG	(1,725)	(1,978)

Other Businesses

Other businesses include the 48.5%-owned banking associate Banca Esperia S.p.A.

In the first quarter of 2008, the Banca Esperia Group reported net outflows of €463 million versus net inflows of €491 million at March 31, 2007.

At the end of the quarter under review, total assets under management and administration amounted to €8,896 million versus €9,318 million at December 31, 2007 and €7,571 million at March 31, 2007.

At March 31, 2008, there were 55 private bankers versus 54 in the prior year.

At March 31, 2008, the Banca Esperia Group reported net profit of €2.5 million versus €7.2 million at March 31, 2007.

The Parent Company

At March 31, 2008, the Parent Company reported net profit of €46,613 thousand versus €31,148 thousand at March 31, 2007.

The increase in net profit for the period was largely in connection with the sale of the 2.5% shareholding in the subsidiary Mediolanum International Funds Ltd to the indirect subsidiary Banco de Finanzas e Inversiones S.A which generated a €25,204 thousand gain. The sale value of €25,272 thousand was estimated by independent valuers.

In the quarter under review, the Parent Company recorded lower dividends from subsidiaries by €7,936 thousand.

Segment reporting

This section presents consolidated financial data reported by segment.

In compliance with IAS 14, segment reporting reflects the management reporting system of the Mediolanum Group, and is consistent with the information disclosed to the market and to the various stakeholders.

Segment reporting of consolidated financial data for the period enables readers and users to assess the quality and sustainability over time of the financial results generated by the Mediolanum Group in its different business segments.

Life Insurance Business Segment

€/000	March 31, 2008	March 31, 2007	Change	Change %
Net Premiums Written	784,258	912,903	(128,645)	(14)
Amounts paid Net claims and benefits and change in reserves	(748,076)	(858,294)	110,218	(13)
Net life insurance revenues (ex. commissions)	36,182	54,609	(18,427)	(34)
Commission income	46,468	54,592	(8,124)	(15)
Net financial income	(1,890)	5,561	(7,451)	(134)
Net income on other investments	(513)	1,340	(1,853)	(138)
Other revenues	4,431	4,148	283	7
TOTAL REVENUES	84,678	120,250	(35,572)	(30)
Commission expenses & acquisition costs	(33,259)	(42,363)	9,104	(21)
General and administrative expenses	(27,522)	(27,985)	463	(2)
Amortisation, depreciation and provisions	(1,660)	(4,120)	2,460	(60)
TOTAL COSTS	(62,441)	(74,468)	12,027	(16)
PROFIT BEFORE TAX	22,237	45,782	(23,545)	(51)

At the end of the first quarter of 2008, net life insurance revenues before acquisition costs amounted to €36.2 million versus €54.6 million in the prior year. The decline in net income reported for the period was largely due to lower loadings earned on products sold in the quarter under review, as a result of both lower sales and the different mix of products sold.

Commission income amounted to €46.5 million, declining €8.1 million from €54.6 million in the first quarter of the prior year, largely due to the lower level of performance fees earned on life business in the quarter under review.

For the first quarter 2008, the Group reported a net financial loss of €1.9 million versus net financial income of €5.6 million in the prior year due to higher losses resulting from the fair value measurement of financial assets at March 31, 2008.

Costs declined from €74.5 million in the prior year to €62.4 million at March 31, 2008. The decline was largely in connection with commission expenses decreasing from €42.4 million to €33.3 million due to lower sales volumes.

Asset Management Business Segment

€/000	March 31, 2008	March 31, 2007	Change	Change %
Entry fees	12,802	14,446	(1,644)	(11)
Management fees	33,180	42,203	(9,023)	(21)
Performance fees	2,291	6,865	(4,574)	(67)
Banking service fees	132	311	(179)	(58)
Other fees	5,186	5,957	(771)	(13)
Total commission income	53,591	69,782	(16,191)	(23)
Net financial income	1,181	977	204	21
Net income on other investments	-	1,001	(1,001)	(100)
Other revenues	170	127	43	34
TOTAL REVENUES	54,942	71,887	(16,945)	(24)
Commission expenses & acquisition costs	(19,081)	(23,246)	4,165	(18)
General and administrative expenses	(19,302)	(18,727)	(575)	3
Amortisation, depreciation and provisions	(1,133)	(2,132)	999	(47)
TOTAL COSTS	(39,516)	(44,105)	4,589	(10)
PROFIT BEFORE TAX	15,426	27,782	(12,356)	(44)

In the quarter under review, **commission income** amounted to €53.6 million down €16.2 million from €69.8 million in the first quarter of the prior year. The decline in commission income was largely due to the negative performance of financial markets in first quarter of 2008, which entailed lower management fees by €9.0 million due to the decreased NAV of assets under management and lower performance fees earned in the quarter (€4.6 million).

At the end of the quarter under review, costs in this business segment amounted to €39.5 million versus €44.1 million in the prior year. The decrease was largely due to lower **commission expenses** which declined from €23.2 million in the past year to €19.1 million at March 31, 2008, in connection with lower sales volumes in the quarter under review. The cost/income ratio for commissions (ex. performance fees) was 37.2% versus 36.9 % in the first quarter of 2007.

Banking Business Segment

€/’000	March 31, 2008	March 31, 2007	Change	Change %
Commission income	16,985	19,578	(2,593)	(13)
Net financial income	32,906	31,012	1,894	6
Net income on other investments	781	849	(68)	(8)
Other revenues	1,354	1,694	(340)	(20)
TOTAL REVENUES	52,026	53,133	(1,107)	(2)
Commission expenses & acquisition costs	(12,600)	(13,500)	900	(7)
General and administrative expenses	(32,217)	(31,301)	(916)	3
Amortisation, depreciation and provisions	(2,106)	(3,310)	1,204	(36)
TOTAL COSTS	(46,923)	(48,111)	1,188	(2)
PROFIT BEFORE TAX	5,103	5,022	81	2

At the end of the quarter under review, **net financial income** amounted to €32.9 million, up €1.9 million from €31.0 million at March 31, 2007. Although, adversely impacted by the write-downs following the fair value measurement of securities in the quarter under review, net financial income rose thanks to the growth in loans to customers and wider spreads as a result of interest rate hikes.

Commission income amounted to €17.0 million, down €2.6 million from €19.6 million in the first quarter of 2007, largely due to lower commissions earned on securities trading in the quarter under review.

In the first quarter 2008, costs were slightly down from €48.1 million in the prior year to €46.9 million at March 31, 2008.

● Balance sheet information

○ Investments, Cash and Cash Equivalents

€/’000	March 31, 2008	%	Dec. 31, 2007	%
Investment property	4,203	0.0	4,214	0.0
Investments in subsidiaries, associates and JVs	54,488	0.2	53,205	0.2
Loans and receivables	5,290,048	22.7	4,581,998	19.9
Held-to-maturity investments	586,199	2.5	592,324	2.6
Available-for-sale financial assets	1,368,116	5.9	1,338,611	5.8
Financial assets at fair value through profit or loss	15,734,081	67.4	16,185,536	70.1
Total investments	23,037,135	98.7	22,755,889	98.6
Tangible assets: property and other tangible assets	75,424	0.3	75,858	0.3
Cash and cash equivalent	222,780	1.0	245,370	1.1
Total investments, cash and cash equivalents	23,335,339	100.0	23,077,117	100.0

“Investments in subsidiaries, associates and joint ventures” amounted to €54.5 million versus €53.2 million at December 31, 2007, and relate exclusively to the 48.5% shareholding in Banca Esperia S.p.A. accounted for under the equity method.

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

€/’000	March 31, 2008	Dec. 31, 2007
Banks	3,453,914	2,882,087
Time deposits	2,170,780	2,241,765
Other loans	1,196,138	612,206
Reserve requirements	86,996	28,116
Banking customers	1,825,651	1,689,613
Bank accounts	279,202	267,910
Repurchase agreements	241,792	362,293
Mortgage loans	662,002	573,801
Other	642,655	485,609
Other	10,483	10,298
Total	5,290,048	4,581,998

Loans and Receivables increased from €4,582.0 million at December 31, 2007 to €5,290.0 million at the end of the quarter under review. The increase is largely in connection with greater interbank lending and loans extended to customer by the subsidiary Banca Mediolanum S.p.A.

The analysis by type of instrument 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 tables below.

€/000	March 31, 2008	Dec. 31, 2007
Available for sale financial assets	1,368,116	1,338,611
Debt securities	617,745	582,389
Debt securities - assets sold but not derecognised	138,228	100,816
Equities	394,180	426,447
Holdings in UCITS	217,963	228,959
Held to maturity investments	586,199	592,324
Debt securities	335,978	298,542
Debt securities - assets sold but not derecognised	250,221	293,782

€/000	March 31, 2008	Dec. 31, 2007
Financial assets at fair value through profit or loss	15,734,081	16,185,536
Debt securities	1,633,775	1,583,865
Debt securities - assets sold but not derecognised	1,361,119	1,023,968
Equities	55	83
Holdings in UCITS	15,393	12,524
Trading derivatives	27,494	41,960
Hedging derivatives	1,141	-
Contracts under which the investment risk is borne by the policyholder	12,695,104	13,523,136

At the end of the quarter under review, financial assets at fair value through profit or loss amounted to €15,734.1 million versus €16,185.5 million at the end of the prior year. The decline was largely in connection with the write-downs of "contracts under which the investment risk is borne by the policyholder" (investments underlying unit-linked and index linked insurance contracts) due to the financial market crisis, partly offset by the increase in debt securities held by the subsidiary Banca Mediolanum (up €358.0 million) recognised by it as financial assets held for trading.

○ Net technical reserves

€/000	March 31, 2008	Dec. 31, 2007
Mathematical reserves	1,174,632	1,168,377
Outstanding claims	105,628	129,198
Technical reserves on contracts under which the investment risk is borne by the policyholder and pension fund management	12,236,024	13,027,317
Other reserves	31,167	31,325
Total Life Business reserves	13,547,451	14,356,217

At March 31, 2008, technical reserves net of reinsurers' share amounted to €13,547.5 million versus €14,356.2 million at year end 2007. The €808.7 million decline relates to technical reserves on contracts under which the investment risk is borne by the policyholder and in connection with pension fund management, and is closely connected to the write-downs of 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, 2008	Dec. 31, 2007
Total financial liabilities at fair value through profit or loss	1,603,825	1,350,199
Short positions on debt securities	1,067,578	714,771
Trading derivatives	18,433	17,378
Securities issued	2,895	2,974
Other financial liabilities	533	282
Financial liabilities on contracts under which the investment risk is borne by the policyholder and pension fund management	514,386	614,794

At the end of the quarter under review financial liabilities at fair value through profit or loss amounted to €1,603.8 million, up €253.6 million from €1,350.2 million at December 31, 2007. The increase was mainly due to larger short positions on debt securities held by Banca Mediolanum (up €359.0 million) offset by the corresponding increase in debt securities recognised as financial assets at fair value through profit or loss.

The decline in financial liabilities arising on contracts under which the investment risk is borne by the policyholder and pension fund management was in connection with the impact of the financial market crisis on financial instruments.

The analysis of Other Financial Liabilities is set out below.

€/000	March 31, 2008	Dec. 31, 2007
Banks	2,039,214	1,446,463
Central Banks	370,020	290,465
Bank accounts and demand deposits	662,483	494,826
Time deposits	244,503	99,464
Loans	375,000	375,000
Other	387,208	186,708
Banking customers	5,274,091	5,007,974
Bank accounts	4,037,013	3,897,118
Liabilities for assets that were sold but not derecognised	1,227,751	1,101,794
Other	9,327	9,062
Other financial liabilities	99,478	99,641
Total	7,412,783	6,554,078

At the end of the first quarter of 2008, Other Financial liabilities amounted to €7,412.8 million versus €6,554.1 million at December 31, 2007. The increase was largely in connection with Banca Mediolanum S.p.A.'s greater interbank lending and customer deposits.

Shareholders' Equity

€/000	March 31, 2008	Dec. 31, 2007
Share capital	72,949	72,948
Equity reserves	51,283	51,277
Retained earnings and other equity reserves	736,815	523,613
Treasury shares	(2,045)	(2,045)
Gains or losses on available for sale financial assets	3,625	36,997
Net profit (loss) for the year attributable to the Group	30,877	212,243
Total capital and reserves attributable to the Group	893,504	895,033

Total capital and reserves attributable to the Group amounted to €893.5 million versus €895.0 million at December 31, 2007.

Gains on available for sale financial assets, i.e. the net balance of gains and losses on financial assets after the benefit participation of life policyholders and deferred taxation, amounted to €3.6 million at the end of the quarter under review versus €37.0 million at December 31, 2007. The decline is essentially due to reduced net gains as a result of the negative performance of financial markets.

MEDIOLANUM S.p.A.

**Schedules
at March 31
2008**

Schedules

● **Note on the method applied to the income statement reclassification**

The income statement set out herein was prepared by reclassifying income and expense items before tax by nature and recognising financial income/expense on policyholders' assets/liabilities relating to contracts where the investment risk is born by the policyholder under "Amounts paid and change in technical reserves".

The reclassified income statement reflects the management reporting system of the Mediolanum Group.

The reconciliation of the consolidated income statement prepared on a statutory basis to the reclassified income statement at March 31, 2008 is set out below.

● **Note on the method applied to segment reporting**

In compliance with IAS 14, segment reporting presents consolidated financial data by business segment (primary format), i.e. Life Insurance, Banking, Asset Management and Other, and then by geographic segment (secondary segment) by reference to the Group markets, i.e. Domestic and Foreign markets. Segment reporting reflects the management reporting system of the Mediolanum Group, and is consistent with the information disclosed to the market and to the various stakeholders.

For the purpose of segment reporting of income statement information, 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.

Reconciliation of the Income Statement at March 31, 2008 to the reclassified Income Statement for segment reporting purposes

€/000	Consolidated income statement
1.1 Premiums written, net of reinsurance	
1.1.1 Gross premiums written	785,330
1.1.2 Reinsurance premiums	(1,072)
Total premiums written, net of reinsurance	784,258
1.2 Commission income	117,910
1.3 Income on financial instruments at fair value through profit/loss	(1,213,476)
1.4 Income on investments in subsidiaries, associates and joint ventures	1,283
1.5 Income on other financial instruments and investment property	
1.5.1 Interest income	71,742
1.5.2 Other income	661
1.5.3 Realized gains	2,741
1.5.4 Unrealized gains	1,424
Total income on other financial instruments and investment property	76,568
1.6 Other revenues	6,218
Total revenues and income	(227,240)
2. Costs	
2.1 Claims incurred	
2.1.1 Claims paid and change in technical reverses	465,263
2.1.2 Reinsurers' share	1,519
Total claims incurred, net of reinsurance	466,782
2.2 Commission expense	(43,998)
2.3 Loss on investments in subsidiaries, associates and joint ventures	-
2.4 Loss on other financial instruments and investment property	
2.4.1 Interest expense	(44,770)
2.4.2 Other expense	(18)
2.4.3 Realized losses	(1,816)
2.4.4 Unrealized losses	(2,741)
Loss on the other financial instruments and investment property	(49,345)
2.5 Operating expenses	
2.5.1 Agents' commissions and other acquisition costs	(23,070)
2.5.2 Investment management costs	(101)
2.5.3 Other administrative expenses	(71,774)
Total operating expenses	(94,945)
2.6 Other costs	(10,957)
Total costs	267,537
Pre-tax profit (loss) for the year	40,297
3. Income taxes	(9,420)
4. Profit (loss) of discontinued operations	-
Consolidated profit (loss) for the year	30,877

RECLASSIFICATIONS

Interest income and expenses on assets/liabilities pertaining to policyholders
(including policies classified as financial contracts under IFRS 14)

Other reclassifications	-
TOTAL RECLASSIFICATIONS	-

RECLASSIFIED INCOME STATEMENT - REVENUES

Net premiums written	Amounts paid and change in reserves	Commission Income	Interest income and similar income	Interest expenses and similar charges	Net income on investments at fair value	Net income on other investments	Other revenues
785,330	-	-	-	-	-	-	-
(1,072)	-	-	-	-	-	-	-
784,258	-	-	-	-	-	-	-
-	-	117,910	-	-	-	-	-
-	-	-	58,628	(10,521)	(1,261,583)	-	-
-	-	-	-	-	-	1,283	-
-	-	-	71,742	-	-	-	-
-	-	-	642	-	-	19	-
-	-	-	-	-	-	2,741	-
-	-	-	-	-	-	-	-
-	-	-	72,384	-	-	2,760	-
-	-	-	-	-	-	-	6,218
784,258	-	117,910	131,012	(10,521)	(1,261,583)	4,043	6,218
-	465,553	-	-	-	-	-	-
-	1,519	-	-	-	-	-	-
-	467,072	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	(44,770)	-	-	-
-	-	-	-	(2)	-	(16)	-
-	-	-	-	-	-	(1,816)	-
-	-	-	-	-	-	-	-
-	-	-	-	(44,772)	-	(1,832)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	467,072	-	-	(44,772)	-	(1,832)	-
784,258	467,072	117,910	131,012	(55,293)	(1,261,583)	2,210	6,218
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
784,258	467,072	117,910	131,012	(55,293)	(1,261,583)	2,210	6,218
-	(1,214,572)	-	(47,295)	10,447	1,251,420	-	-
-	(576)	-	(640)	-	-	446	-
784,258	(748,076)	117,910	83,077	(44,846)	(10,163)	2,656	6,218

Reconciliation of the Income Statement at March 31, 2008 to the reclassified Income Statement for segment reporting purposes

€/’000

1.1	Premiums written, net of reinsurance
1.1.1	Gross premiums written
1.1.2	Reinsurance premiums
	Total premiums written, net of reinsurance
1.2	Commission income
1.3	Income on financial instruments at fair value through profit/loss
1.4	Income on investments in subsidiaries, associates and joint ventures
1.5	Income on other financial instruments and investment property
1.5.1	Interest income
1.5.2	Other income
1.5.3	Realized gains
1.5.4	Unrealized gains
	Total income on other financial instruments and investment property
1.6	Other revenues
	Total revenues and income
2.	Costs
2.1	Claims incurred
2.1.1	Claims paid and change in technical reverses
2.1.2	Reinsurers’ share
	Total claims incurred, net of reinsurance
2.2	Commission expense
2.3	Loss on investments in subsidiaries, associates and joint ventures
2.4	Loss on other financial instruments and investment property
2.4.1	Interest expense
2.4.2	Other expense
2.4.3	Realized losses
2.4.4	Unrealized losses
	Loss on the other financial instruments and investment property
2.5	Operating expenses
2.5.1	Agents’ commissions and other acquisition costs
2.5.2	Investment management costs
2.5.3	Other administrative expenses
	Total operating expenses
2.6	Other costs
	Total costs
	Pre-tax profit (loss) for the year
3.	Income taxes
4.	Profit (loss) of discontinued operations
	Consolidated profit (loss) for the year

RECLASSIFICATIONS

Interest income and expenses on assets/liabilities pertaining to policyholders
(including policies classified as financial contracts under IFRS 14)

Other reclassifications

TOTAL RECLASSIFICATIONS

RECLASSIFIED INCOME STATEMENT - EXPENSES AND INCOME TAX

Acquisition costs and commission expenses	Net impairment of financial assets	G&A expenses	Amortisation and depreciation	Provision for risk and charges	Income tax	Net profit
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,424	-	-	-	-	-
-	1,424	-	-	-	-	-
-	1,424	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(290)	-	-	-	-
-	-	-	-	-	-	-
-	-	(290)	-	-	-	-
(43,998)	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(2,730)	-	(11)	-	-	-
-	(2,730)	-	(11)	-	-	-
(21,578)	-	(1,492)	-	-	-	-
-	-	(101)	-	-	-	-
-	-	(71,774)	-	-	-	-
(21,578)	-	(73,367)	-	-	-	-
-	(1)	(6,035)	(3,790)	(1,131)	-	-
(65,576)	(2,731)	(79,692)	(3,801)	(1,131)	-	-
(65,576)	(1,307)	(79,692)	(3,801)	(1,131)	-	-
-	-	-	-	-	(9,420)	-
-	-	-	-	-	-	-
(65,576)	(1,307)	(79,692)	(3,801)	(1,131)	(9,420)	-
-	-	-	-	-	-	-
-	-	770	-	-	-	-
(65,576)	(1,307)	(78,922)	(3,801)	(1,131)	(9,420)	30,877

INCOME STATEMENT AT MARCH 31, 2008

Segment reporting by business sector

€/000	LIFE INSURANCE			ASSET MANAGEMENT		
	2008	2007	delta	2008	2007	delta
Net premiums written	784,258	912,903	(128,645)	-	-	-
Amounts paid and change in technical reserves	(748,076)	(858,294)	110,218	-	-	-
Life revenues ex-commission	36,182	54,609	(18,427)	-	-	-
Entry fees	-	-	-	12,802	14,446	(1,644)
Management fees	41,985	41,296	689	33,180	42,203	(9,023)
Performance fees	2,725	7,724	(4,999)	2,291	6,865	(4,574)
Banking service fees	-	-	-	132	311	(179)
Other fees	1,758	5,572	(3,814)	5,186	5,957	(771)
Total commission income	46,468	54,592	(8,124)	53,591	69,782	(16,191)
Interest income and similar income	7,511	6,624	887	1,192	1,024	168
Interest expense and similar charges	(1,223)	(1,162)	(61)	(11)	(45)	34
Net income on investments at fair value	(8,178)	99	(8,277)	-	(2)	2
Net financial income	(1,890)	5,561	(7,451)	1,181	977	204
Realized profit on other investment	(4)	1,340	(1,344)	-	1,001	(1,001)
Net impairment of financial investments	(509)	-	(509)	-	-	-
Net income on other investments	(513)	1,340	(1,853)	-	1,001	(1,001)
Other revenues	4,431	4,148	283	170	127	43
TOTAL REVENUES	84,678	120,250	(35,572)	54,942	71,887	(16,945)
Acquisition costs & other commission expenses	(33,259)	(42,363)	9,104	(19,081)	(23,246)	4,165
G&A expenses	(27,522)	(27,985)	463	(19,302)	(18,727)	(575)
Amortisation and depreciation	(1,003)	(2,082)	1,079	(802)	(1,187)	385
Provisions for risks and charges	(657)	(2,038)	1,381	(331)	(945)	614
TOTAL COST	(62,441)	(74,468)	12,027	(39,516)	(44,105)	4,589
PROFIT BEFORE TAX	22,237	45,782	(23,545)	15,426	27,782	(12,356)
Income tax	-	-	-	-	-	-
NET PROFIT	-	-	-	-	-	-

BANKING			OTHER			consolidation adjustments			TOTAL		
2008	2007	delta	2008	2007	delta	2008	2007	delta	2008	2007	delta
-	-	-	-	-	-	-	-	-	784,258	912,903	(128,645)
-	-	-	-	-	-	-	-	-	(748,076)	(858,294)	110,218
-	-	-	-	-	-	-	-	-	36,182	54,609	(18,427)
-	-	-	-	-	-	-	-	-	12,802	14,446	(1,644)
-	-	-	-	-	-	-	-	-	75,165	83,499	(8,334)
-	-	-	-	-	-	-	-	-	5,016	14,589	(9,573)
16,969	19,572	(2,603)	18	-	18	(182)	(286)	104	16,937	19,597	(2,660)
16	6	10	1,030	940	90	-	(115)	115	7,990	12,360	(4,370)
16,985	19,578	(2,593)	1,048	940	108	(182)	(401)	219	117,910	144,491	(26,581)
80,835	60,113	20,722	467	402	65	(6,928)	(7,744)	816	83,077	60,419	22,658
(45,970)	(33,993)	(11,977)	(4,571)	(3,129)	(1,442)	6,929	7,744	(815)	(44,846)	(30,585)	(14,261)
(1,959)	4,892	(6,851)	(2)	1	(3)	(24)	-	(24)	(10,163)	4,990	(15,153)
32,906	31,012	1,894	(4,106)	(2,726)	(1,380)	(23)	-	(23)	28,068	34,824	(6,756)
1,572	890	682	1,088	3,718	(2,630)	-	-	-	2,656	6,949	(4,293)
(791)	(41)	(750)	(7)	-	(7)	-	-	-	(1,307)	(41)	(1,266)
781	849	(68)	1,081	3,718	(2,637)	-	-	-	1,349	6,908	(5,559)
1,354	1,694	(340)	640	1,282	(642)	(377)	(285)	(92)	6,218	6,966	(748)
52,026	53,133	(1,107)	(1,337)	3,214	(4,551)	(582)	(686)	104	189,727	247,798	(58,071)
(12,600)	(13,500)	900	(637)	(779)	142	1	115	(114)	(65,576)	(79,773)	14,197
(32,217)	(31,301)	(916)	(462)	(510)	48	581	571	10	(78,922)	(77,952)	(970)
(1,976)	(2,969)	993	(20)	(32)	12	-	-	-	(3,801)	(6,270)	2,469
(130)	(341)	211	(13)	(37)	24	-	-	-	(1,131)	(3,361)	2,230
(46,923)	(48,111)	1,188	(1,132)	(1,358)	226	582	686	(104)	(149,430)	(167,356)	17,926
5,103	5,022	81	(2,469)	1,856	(4,325)	-	-	-	40,297	80,442	(40,145)
-	-	-	-	-	-	-	-	-	(9,420)	(19,364)	9,944
-	-	-	-	-	-	-	-	-	30,877	61,078	(30,201)

INCOME STATEMENT AT MARCH 31, 2008

Segment reporting by business sector / domestic market

€/000	LIFE INSURANCE			ASSET MANAGEMENT		
	2008	2007	delta	2008	2007	delta
Net premiums written	758,134	861,594	(103,460)	-	-	-
Amounts paid and change in technical reserves	(724,965)	(813,500)	88,535	-	-	-
Life revenues ex-commission	33,169	48,094	(14,925)	-	-	-
Entry fees	-	-	-	11,520	12,704	(1,184)
Management fees	41,985	41,296	689	29,482	37,806	(8,324)
Performance fees	2,725	7,724	(4,999)	2,210	6,108	(3,898)
Banking service fees	-	-	-	-	-	-
Other fees	1,301	2,419	(1,118)	5,111	5,957	(846)
Total commission income	46,011	51,439	(5,428)	48,323	62,575	(14,252)
Interest income and similar income	7,389	6,447	942	898	908	(10)
Interest expense and similar charges	(1,209)	(1,162)	(47)	(11)	(39)	28
Net income on investments at fair value	(6,885)	99	(6,984)	-	-	-
Net financial income	(705)	5,384	(6,089)	887	869	18
Realized profit on other investment	(4)	1,340	(1,344)	-	108	(108)
Net impairment of financial investments	(509)	-	(509)	-	-	-
Net income on other investments	(513)	1,340	(1,853)	-	108	(108)
Other revenues	4,431	4,148	283	86	34	52
TOTAL REVENUES	82,393	110,405	(28,012)	49,296	63,586	(14,290)
Acquisition costs & other commission expenses	(31,933)	(37,813)	5,880	(16,284)	(20,008)	3,724
G&A expenses	(26,002)	(25,464)	(538)	(16,519)	(16,865)	346
Amortisation and depreciation	(933)	(1,517)	584	(680)	(1,089)	409
Provisions for risks and charges	(657)	(2,038)	1,381	(331)	(945)	614
TOTAL COST	(59,525)	(66,832)	7,307	(33,814)	(38,907)	5,093
PROFIT BEFORE TAX	22,868	43,573	(20,705)	15,482	24,679	(9,197)

BANKING			OTHER			consolidation adjustments			TOTAL		
2008	2007	delta	2008	2007	delta	2008	2007	delta	2008	2007	delta
-	-	-	-	-	-	-	-	-	758,134	861,594	(103,460)
-	-	-	-	-	-	-	-	-	(724,965)	(813,500)	88,535
-	-	-	-	-	-	-	-	-	33,169	48,094	(14,925)
-	-	-	-	-	-	-	-	-	11,520	12,704	(1,184)
-	-	-	-	-	-	-	-	-	71,467	79,102	(7,635)
-	-	-	-	-	-	-	-	-	4,935	13,832	(8,897)
10,854	11,125	(271)	18	-	18	(181)	(286)	105	10,691	10,839	(148)
7	4	3	1,030	940	90	-	-	-	7,449	9,320	(1,871)
10,861	11,129	(268)	1,048	940	108	(181)	(286)	105	106,062	125,797	(19,735)
73,742	54,145	19,597	467	402	65	(5,345)	(4,796)	(549)	77,151	57,106	20,045
(42,003)	(31,082)	(10,921)	(4,571)	(3,129)	(1,442)	5,345	4,796	549	(42,449)	(30,616)	(11,833)
(1,884)	4,716	(6,600)	(2)	1	(3)	-	-	-	(8,771)	4,816	(13,587)
29,855	27,779	2,076	(4,106)	(2,726)	(1,380)	-	-	-	25,931	31,306	(5,375)
1,339	861	478	1,088	3,718	(2,630)	-	-	-	2,423	6,027	(3,604)
(1,100)	(275)	(825)	(7)	-	(7)	-	-	-	(1,616)	(275)	(1,341)
239	586	(347)	1,081	3,718	(2,637)	-	-	-	807	5,752	(4,945)
1,093	1,417	(324)	640	1,282	(642)	-	-	-	6,250	6,881	(631)
42,048	40,911	1,137	(1,337)	3,214	(4,551)	(181)	(286)	105	172,219	217,830	(45,611)
(7,410)	(6,740)	(670)	(637)	(779)	142	-	-	-	(56,264)	(65,340)	9,076
(25,906)	(24,225)	(1,681)	(462)	(510)	48	181	286	(105)	(68,708)	(66,778)	(1,930)
(1,596)	(2,466)	870	(20)	(32)	12	-	-	-	(3,229)	(5,104)	1,875
(90)	(333)	243	(13)	(37)	24	-	-	-	(1,091)	(3,353)	2,262
(35,002)	(33,764)	(1,238)	(1,132)	(1,358)	226	181	286	(105)	(129,292)	(140,575)	11,283
7,046	7,147	(101)	(2,469)	1,856	(4,325)	-	-	-	42,927	77,255	(34,328)

INCOME STATEMENT AT MARCH 31, 2008

Segment reporting by business sector / foreign market

€/000	LIFE INSURANCE			ASSET MANAGEMENT		
	2008	2007	delta	2008	2007	delta
Net premiums written	26,124	51,309	(25,185)	-	-	-
Amounts paid and change in technical reserves	(23,111)	(44,794)	21,683	-	-	-
Life revenues ex-commission	3,013	6,515	(3,502)	-	-	-
Entry fees	-	-	-	1,282	1,742	(460)
Management fees	-	-	-	3,698	4,397	(699)
Performance fees	-	-	-	81	757	(676)
Banking service fees	-	-	-	132	311	(179)
Other fees	457	3,153	(2,696)	75	-	75
Total commission income	457	3,153	(2,696)	5,268	7,207	(1,939)
Interest income and similar income	122	177	(55)	294	116	178
Interest expense and similar charges	(14)	-	(14)	-	(6)	6
Net income on investments at fair value	(1,293)	-	(1,293)	-	(2)	2
Net financial income	(1,185)	177	(1,362)	294	108	186
Realized profit on other investment	-	-	-	-	893	(893)
Net impairment of financial investments	-	-	-	-	-	-
Net income on other investments	-	-	-	-	893	(893)
Other revenues	-	-	-	84	93	(9)
TOTAL REVENUES	2,285	9,845	(7,560)	5,646	8,301	(2,655)
Acquisition costs & other commission expenses	(1,326)	(4,550)	3,224	(2,797)	(3,238)	441
G&A expenses	(1,520)	(2,521)	1,001	(2,783)	(1,862)	(921)
Amortisation and depreciation	(70)	(565)	495	(122)	(98)	(24)
Provisions for risks and charges	-	-	-	-	-	-
TOTAL COST	(2,916)	(7,636)	4,720	(5,702)	(5,198)	(504)
PROFIT BEFORE TAX	(631)	2,209	(2,840)	(56)	3,103	(3,159)

BANKING			OTHER			consolidation adjustments			TOTAL		
2008	2007	delta	2008	2007	delta	2008	2007	delta	2008	2007	delta
-	-	-	-	-	-	-	-	-	26,124	51,309	(25,185)
-	-	-	-	-	-	-	-	-	(23,111)	(44,794)	21,683
-	-	-	-	-	-	-	-	-	3,013	6,515	(3,502)
-	-	-	-	-	-	-	-	-	1,282	1,742	(460)
-	-	-	-	-	-	-	-	-	3,698	4,397	(699)
-	-	-	-	-	-	-	-	-	81	757	(676)
6,115	8,447	(2,332)	-	-	-	-	-	-	6,247	8,758	(2,511)
9	2	7	-	-	-	-	-	-	541	3,155	(2,614)
6,124	8,449	(2,325)	-	-	-	-	-	-	11,849	18,809	(6,960)
7,093	5,968	1,125	-	-	-	-	-	-	7,509	6,261	1,248
(3,967)	(2,911)	(1,056)	-	-	-	-	-	-	(3,981)	(2,917)	(1,064)
(75)	176	(251)	-	-	-	-	-	-	(1,368)	174	(1,542)
3,051	3,233	(182)	-	-	-	-	-	-	2,160	3,518	(1,358)
233	29	204	-	-	-	-	-	-	233	922	(689)
309	234	75	-	-	-	-	-	-	309	234	75
542	263	279	-	-	-	-	-	-	542	1,156	(614)
261	277	(16)	-	-	-	(59)	-	(59)	286	370	(84)
9,978	12,222	(2,244)	-	-	-	(59)	-	(59)	17,850	30,368	(12,518)
(5,190)	(6,760)	1,570	-	-	-	-	-	-	(9,313)	(14,548)	5,235
(6,311)	(7,076)	765	-	-	-	59	-	59	(10,555)	(11,459)	904
(380)	(503)	123	-	-	-	-	-	-	(572)	(1,166)	594
(40)	(8)	(32)	-	-	-	-	-	-	(40)	(8)	(32)
(11,921)	(14,347)	2,426	-	-	-	59	-	59	(20,480)	(27,181)	6,701
(1,943)	(2,125)	182	-	-	-	-	-	-	(2,630)	3,187	(5,817)

MEDIOLANUM S.p.A.

**Consolidated
Accounts
at March 31
2008**

Balance sheet

Assets

€/’000	March 31, 2008	Dec. 31, 2007
1. Intangible assets		
1.1 Goodwill	161,302	161,422
1.2 Other intangible assets	13,598	13,963
Total intangible assets	174,900	175,385
2. Tangible assets		
2.1 Property	56,148	56,458
2.2 Other tangible assets	19,276	19,400
Total tangible assets	75,424	75,858
3. Reinsurers’ share of technical reserves	100,058	100,870
4. Investments		
4.1 Investment property	4,203	4,214
4.2 Investments in subsidiaries, associated and JVs	54,488	53,205
4.3 Held to maturity investments	586,199	592,324
4.4 Loans and receivables	5,290,048	4,581,998
4.5 Available for sale financial assets	1,368,116	1,338,611
4.6 Financial assets at fair value through profit and loss	15,734,081	16,185,536
Total investments	23,037,135	22,755,889
5. Receivables		
5.1 Arising out of direct insurance business	9,425	11,504
5.2 Arising out of reinsurance business	332	-
5.3 Other receivables	2,366	1,839
Total receivables	12,123	13,343
6. Other assets		
6.1 Non current assets or assets of discontinued operations, held for sale	-	1,042
6.2 Deferred acquisition costs	-	-
6.3 Defferend tax assets	40,168	38,366
6.4 Current tax assets	160,039	157,587
6.5 Other assets	235,585	220,455
Total other assets	435,792	417,449
7. Cash and cash equivalents	222,780	245,370
TOTAL ASSETS	24,058,210	23,784,163

Liabilities

€/000	March 31, 2008	Dec. 31, 2007
1. Capital and reserves		
1.1 Group shareholders' equity		
1.1.1 Share capital	72,949	72,948
1.1.2 Other equity instruments	-	-
1.1.3 Capital reserves	51,283	51,277
1.1.4 Retained earnings and other equity reserves	736,815	523,613
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	3,625	36,997
1.1.8 Other gains or losses recognised directly in equity	-	-
1.1.9 Profit (loss) for the year attributable to the Group	30,877	212,243
Total capital and reserves attributable to the Group	893,504	895,033
1.2 Attributable to minority interests		
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 year attributable to minority interests	-	-
Total capital and reserves attributable to minority interests	-	-
Total capital and reserves	893,504	895,033
2. Provisions	78,829	78,875
3. Technical reserves	13,647,509	14,457,087
4. Financial liabilities		
4.1 Financial liabilities at fair value through profit and loss	1,603,825	1,350,199
4.2 Other financial liabilities	7,412,783	6,554,078
Total financial liabilities	9,016,608	7,904,277
5. Payables		
5.1 Arising out of direct insurance business	5,143	18,662
5.2 Arising out of reinsurance business	28	1,339
5.3 Other payables	188,059	234,466
Total payables	193,230	254,467
6. Other liabilities		
6.1 Liabilities of disposal groups held for sale	-	905
6.2 Deferred tax liabilities	11,588	11,602
6.3 Current tax liabilities	57,365	46,563
6.4 Other liabilities	159,577	135,354
Total other liabilities	228,530	194,424
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	24,058,210	23,784,163

Income statement

€/’000	March 31, 2008	March 31, 2007
1. Revenues		
1.1 Net premiums written		
1.1.1 Gross premium written	785,330	914,055
1.1.2 Reinsurance premiums	(1,072)	(1,152)
Net premiums written	784,258	912,903
1.2 Commission income	117,910	144,491
1.3 Net income on financial instruments at fair value through profit and loss	(1,213,476)	20,580
1.4 Income on investments in subsidiaries, associates and JVs	1,283	3,719
1.5 Income on other financial instruments and investment property		
1.5.1 Interest income	71,742	51,320
1.5.2 Other income	661	895
1.5.3 Realised gains	2,741	2,750
1.5.4 Unrealised gains	1,424	1,822
Total income on other financial instruments and investment property	76,568	56,787
1.6 Other revenues	6,218	6,966
Total revenues	(227,240)	1,145,446
2. Costs		
2.1 Net claims and benefits		
2.1.1 Amounts paid and change in technical reserves	465,263	(865,849)
2.1.2 Reinsurers’ share/recoveries from reinsurers	1,519	1,365
Net claims and benefits	466,782	(864,484)
2.2 Commission expense	(43,998)	(51,573)
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	(44,770)	(30,553)
2.4.2 Other expenses	(18)	(94)
2.4.3 Realised losses	(1,816)	(118)
2.4.4 Unrealised losses	(2,741)	(1,857)
Loss on other financial instruments and investment property	(49,345)	(32,622)
2.5 Operating expenses		
2.5.1 Agents’ commissions and other acquisition costs	(23,070)	(29,616)
2.5.2 Investment management costs/expenses	(101)	(93)
2.5.3 Other administrative expense	(71,774)	(70,159)
Total operating expenses	(94,945)	(99,868)
2.6 Other costs	(10,957)	(16,252)
Total costs	267,537	(1,064,799)
Profit (loss) before tax for the period	40,297	80,647
3. Income tax	(9,420)	(19,365)
Profit (loss) for the period	30,877	61,282
4. Profit (loss) from discontinued operations	-	(204)
Group net profit (loss) for the period	30,877	61,078
of which pertaining to the Group	30,877	61,078
Earning per share (in euro)	0.042	0.083

Statement of changes in equity

€/000	Balance at Dec. 31, 2006	Adjustment to closing balance	Amount credit	Transferred to the Income Statement	Other Movements	Balance at Dec. 31, 2007
Shareholders' equity pertaining to the Group						
Share capital	72,884	-	84	-	-	72,948
Other equity instruments	-	-	-	-	-	-
Capital reserves	52,561	(2,045)	761	-	-	51,277
Retained earnings and other equity reserves (Treasury shares)	439,761 (2,045)	2,045 -	143,757 -	-	(61,950) -	523,613 (2,045)
Exchange difference reserve	-	-	-	-	-	-
Gains (losses) on available-for-sale financial assets	117,465	-	(78,080)	(2,388)	-	36,997
Other gains (losses) recognized directly in equity						
Gains (losses) on cash flow hedges	-	-	-	-	-	-
Gains (losses) on hedges of a net investment in a foreign operation	-	-	-	-	-	-
Reserve relating to changes in the equity of investees	-	-	-	-	-	-
Intangible assets revaluation reserve	-	-	-	-	-	-
Tangible assets revaluation reserve	-	-	-	-	-	-
Gains (losses) on non-current assets or disposal groups held for sale	-	-	-	-	-	-
Other reserves	-	-	-	-	-	-
Net profit (loss) for the year	223,678	-	72,336	-	(83,771)	212,243
Total shareholders' equity pertaining to the Group	904,304	-	138,838	(2,388)	(145,721)	895,033
Shareholders' equity pertaining to minority interest						
Share capital and reserves	-	-	-	-	-	-
Gains (losses) recognized directly in equity	-	-	-	-	-	-
Net profit (loss) for the year	-	-	-	-	-	-
Total shareholders' equity pertaining to minority interests	-	-	-	-	-	-
TOTAL	904,304	-	138,838	(2,388)	(145,721)	895,033

€/000	Balance at Dec. 31, 2007	Adjustment to closing balance	Amount credit	Transferred to the Income Statement	Other Movements	Balance at March 31, 2008
Shareholders' equity pertaining to the Group						
Share capital	72,948	-	1	-	-	72,949
Other equity instruments	-	-	-	-	-	-
Capital reserves	51,277	-	6	-	-	51,283
Retained earnings and other equity reserves (Treasury shares)	523,613 (2,045)	- -	959 -	-	212,243 -	736,815 (2,045)
Exchange difference reserve	-	-	-	-	-	-
Gains (losses) on available-for-sale financial assets	36,997	-	(35,507)	2,135	-	3,625
Other gains (losses) recognized directly in equity						
Gains (losses) on cash flow hedges	-	-	-	-	-	-
Gains (losses) on hedges of a net investment in a foreign operation	-	-	-	-	-	-
Reserve relating to changes in the equity of investees	-	-	-	-	-	-
Intangible assets revaluation reserve	-	-	-	-	-	-
Tangible assets revaluation reserve	-	-	-	-	-	-
Gains (losses) on non-current assets or disposal groups held for sale	-	-	-	-	-	-
Other reserves	-	-	-	-	-	-
Net profit (loss) for the year	212,243	-	-	-	(181,366)	30,877
Total shareholders' equity pertaining to the Group	895,033	-	(34,541)	2,135	30,877	893,504
Shareholders' equity pertaining to minority interests						
Share capital and reserves	-	-	-	-	-	-
Gains (losses) recognized directly in equity	-	-	-	-	-	-
Net profit (loss) for the year	-	-	-	-	-	-
Total shareholders' equity pertaining to minority interests	-	-	-	-	-	-
TOTAL	895,033	-	(34,541)	2,135	30,877	893,504

Consolidated cash flow statement

Indirect method

€/’000	March 31, 2008	March 31, 2007
Pre-tax profit (loss) for the year	40,297	275,461
Changes in non-monetary items	(1,968,590)	567,263
Change in unearned premiums reserve (general business)	-	-
Change in outstanding claims reserve and other technical reserves (general business)	-	-
Change in mathematical reserves and other technical reserves (life business)	(808,766)	1,152,476
Change in deferred acquisition costs	-	-
Change in provisions	(46)	11,277
Non-monetary income (losses) on financial instruments, investment property and equity investments	(1,159,778)	(596,490)
Other changes	-	-
Changes in receivables and payables arising out of operating activities	(53,673)	(59,366)
Changes in receivables and payables arising out of direct insurance and reinsurance operations	(13,083)	7,151
Changes in other receivables and payables	(40,590)	(66,517)
Income taxes paid	-	(36,149)
Net cash from monetary items relating to investment and financial activities	324,655	76,395
Liabilities on financial contracts issued by insurance companies	253,626	249,206
Amounts due to banks and banking customers	858,705	1,064,985
Loans to and receivables from banks and banking customers	(707,864)	(1,271,220)
Other financial instruments at fair value through profit or loss	(79,812)	33,424
NET CASH FLOWS FROM OPERATING ACTIVITIES	(1,657,310)	823,604
Net cash from investment property	11	2,753
Net cash from subsidiaries, associates and <i>joint ventures</i>	(1,283)	(13,879)
Net cash from loans and receivables	(185)	1,037
Net cash from held-to-maturity investments	6,125	(24,780)
Net cash from available-for-sale financial assets	(29,506)	(378,896)
Net cash from tangible and intangible assets	919	5,359
Other cash flows from investment activities	1,691,045	(389,325)
NET CASH FLOWS FROM INVESTING ACTIVITIES	1,667,127	(797,732)
Net cash from equity instruments pertaining to the Group	(32,406)	(75,738)
Net cash from treasury shares	-	-
Distribution of dividends pertaining to the Group	-	(145,776)
Net cash from capital and reserves pertaining to minority interests	-	-
Net cash from subordinated liabilities and quasi-equity instruments	-	-
Net cash from miscellaneous financial liabilities	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	(32,406)	(221,514)
Effect of exchange rate changes on cash and cash equivalents	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	245,370	441,012
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(22,590)	(195,642)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	222,780	245,370

**Accounting Basis
and Scope
of Consolidation**

Accounting Basis and Scope of Consolidation

The interim report and accounts at March 31, 2008 were prepared in compliance with section 154-*ter* of Legislative Decree 58 of February 24, 1998 (Consolidated Finance Act), as amended by Legislative Decree 195 of November 6, 2007 (Transparency), and Consob Regulations for Issuers.

The interim report and accounts at March 31, 2008 were prepared applying the international accounting and financial reporting standards (IAS/IFRS) and in accordance with ISVAP regulation N. 7 of July 13, 2007 .

The accounting policies applied in the preparation of these interim report and accounts are consistent with those applied in the preparation of the consolidated financial statements for the year ended December 31, 2007.

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. 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 the interim report and accounts were prepared using the euro as reporting currency. Except where otherwise stated the amounts set out in this report are presented in thousands of euro.

Scope of consolidation

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

Group companies that are directly owned by Mediolanum S.p.A and consolidated on a line-by-line basis:

€/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.	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.	371,000	100.000	Basiglio	Banking
Mediolanum Gestione Fondi SGR p.A.	5,165	49.000	Basiglio	Fund management
Mediolanum International Funds Ltd	150	46.500	Dublin	Fund management
Mediolanum Asset Management Ltd	150	49.000	Dublin	Asset management and advice

Group companies that are indirectly owned by Mediolanum S.p.A. through Banca Mediolanum S.p.A. and consolidated on a line-by-line basis:

€/migliaia Company	Share capital	% holding	Registered officer	Business
Mediolanum Distribuz. Finanz. S.p.A.	1,000	100.000	Basiglio	Financial Brokerage
Mediolanum Gestione Fondi SGR p.A.	5,165	51.000	Basiglio	Fund management
Mediolanum Corporate University S.p.A.	20,000	100.000	Basiglio	Education
Mediolanum International Funds Ltd	150	53.500	Dublino	Fund management
Mediolanum Asset Management Ltd	150	51.000	Dublin	Asset management and advice
Banco de Finanzas e Inversiones S.A.	66,032	100.000	Barcelona	Banking
Ges Fibanc SGIIC S.A.	2,506	100.000	Barcelona	Fund management
Fibanc S.A.	301	100.000	Barcelona	Financial advice
Fibanc Pensiones S.G.F.P. S.A.	902	100.000	Barcelona	Pension fund management
Mediolanum International S.A.	71,500	99.997	Luxembourg	Sub-holding company
Gamax Holding AG	5,618	100.000	Luxembourg	Sub-holding company
Gamax Management AG	155	100.000	Luxembourg	Fund management
Bankhaus August Lenz & Co. AG	20,000	100.000	Munich	Banking

The company Fibanc Faif S.A. is no longer included in the consolidated accounts since it was liquidated in the first quarter of 2008.

Mediolanum S.p.A. associates accounted for using the equity method:

€/migliaia Company	Share capital	% holding	Registered officer	Business
Banca Esperia S.p.A.	13,000	48.500	Milano	Banking

**Other
information**

Other information

● Post balance sheet date events

After March 31, 2008 there was no event which could have a significant impact on the financial position, result of operations and cash flows of the Mediolanum Group.

● Outlook

In the light of results recorded in the first months of 2008, the outlook for the current year is positive.

Basiglio, May 13, 2008

For the Board of Directors
The Chairman
(Roberto Ruozzi)

**Statement
of the Officer responsible
for preparing
corporate accounting
and financial
reporting documents**

Statement of the Officer responsible for preparing corporate accounting and financial reporting documents

pursuant to section 154-bis, second paragraph of Legislative Decree 58 of February 24, 1998

The undersigned, Luigi Del Fabbro, Officer responsible for preparing Mediolanum S.p.A. accounting and financial reporting documents hereby

CERTIFIES

pursuant to section 154 bis, second paragraph, of Legislative Decree 58 of February 24, 1998 (Consolidated Finance Act), that the financial information contained herein reflects the accounting entries, records and books.

Basiglio, May 13, 2008

The Officer responsible for preparing
corporate accounting and financial
reporting documents
(*Luigi Del Fabbro*)

