

MEDIOLANUM S.P.A.

*QUARTERLY REPORT
AS AT MARCH 31,
2001*



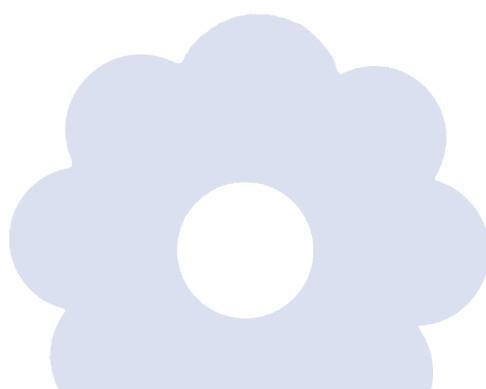
MEDIOLANUM
GRUPPO MEDIOLANUM

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MEDIOLANUM S.P.A.

*QUARTERLY REPORT
AS AT MARCH 31,
2001*



MEDIOLANUM
GRUPPO MEDIOLANUM

Mediolanum S.p.A. Officers of the Company

BOARD OF DIRECTORS

Roberto Ruozi
Alfredo Messina
Eduardo Lombardi
Ennio Doris
Marina Elvira Berlusconi
Alessandro Grimaldi
Massimo Antonio Doris
Paolo Sciumé
Claudio Sposito
Antonio Zunino

Chairman of the Board of Directors
Deputy Chairman
Executive Vice President
Chief Executive Officer
Director
Director
Director
Director
Director
Director

BOARD OF STATUTORY AUDITORS

Arnaldo Mauri
Achille Frattini
Francesco Antonio Giampaolo
Ferdinando Gatti
Francesco Vittadini

Chairman of the Board of Statutory Auditors
Statutory Auditor
Statutory Auditor
Substitute Statutory Auditor
Substitute Statutory Auditor

SECRETARY OF THE BOARD

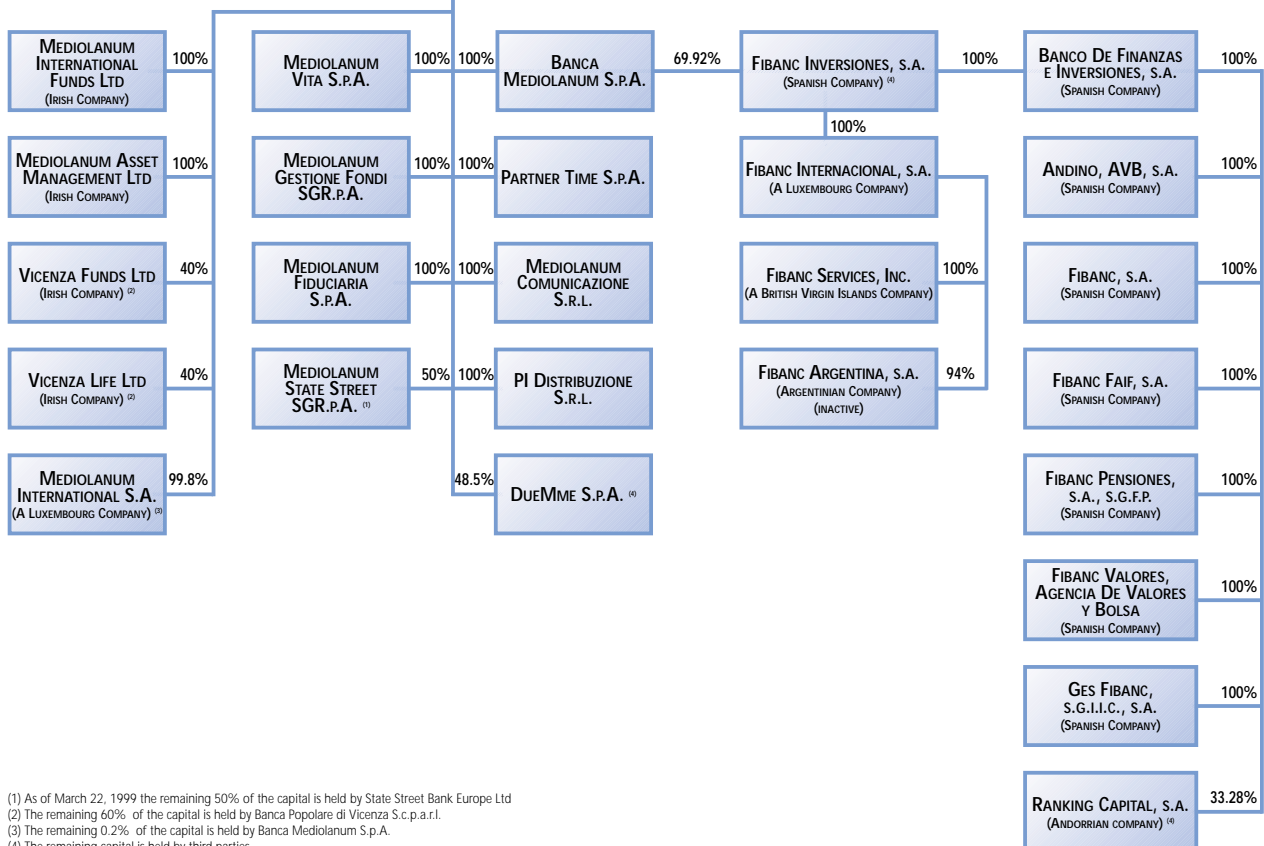
Sebastiano Unali

INDEPENDENT AUDITORS

Arthur Andersen S.p.A.

CORPORATE STRUCTURE

UPDATED TO MAY 19, 2001



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

(2) The remaining 60% of the capital is held by Banca Popolare di Vicenza S.c.p.a.r.l.

(3) The remaining 0.2% of the capital is held by Banca Mediolanum S.p.A.

(4) The remaining capital is held by third parties

MEDIOLANUM GROUP

*CONSOLIDATED
FINANCIAL STATEMENTS
AS AT MARCH 31,
2001*



Balance sheet

ASSETS

<i>millions of Lira</i>	31.03.2001	31.12.2000	31.03.2000
A) DUE FROM SHAREHOLDERS FOR SHARE CAPITAL			
STILL TO BE PAID IN	0	0	0
B) INTANGIBLE ASSETS			
1. Unamortised acquisition costs	0	0	0
2. Other assets	56,051	58,802	67,535
3. Consolidation difference	0	0	0
TOTAL	56,051	58,802	67,535
C) INVESTMENTS		1	-
Land and buildings	153,801	155,270	156,780
II - Investments in Group companies and other companies			
1. Shares and quotas	819,171	818,209	278,764
2. Bonds	0	14,649	0
3. Financial loans	1,300	1,300	1,700
TOTAL INVESTMENT IN GROUP COMPANIES AND OTHER COMPANIES	820,471	834,158	280,464
III - Other financial investments			
1. Shares and quotas in	1,046	496	11,324
2. Quotas of mutual funds	611,607	665,172	808,787
3. Bonds and other fixed income securities	3,139,970	3,426,777	3,673,080
4. Financial loans	39,265	40,263	40,436
5. Others	339,287	340,269	1,015,588
TOTAL OTHER FINANCIAL INVESTMENTS	4,131,175	4,472,977	5,549,215
IV - Deposits with transferring companies	0	0	1
TOTAL	5,105,447	5,462,405	5,986,460
D) INVESTMENTS ALLOCATED TO LIFE POLICYHOLDERS CARRYING THE RELEVANT RISK AND FROM PENSION FUND MANAGEMENT	7,388,702	7,105,329	5,357,437
D bis) REINSURERS' SHARE OF TECHNICAL RESERVES			
I - Non-Life technical reserves	0	0	0
II - Life technical reserves <i>(excluding reserves as per point III)</i>	372,881	390,137	435,620
III - Technical reserves when the risk is carried by policyholders and from pension fund management	0	0	0
TOTAL	372,881	390,137	435,620
E) RECEIVABLES			
I - Receivables from direct insurance operations	28,569	37,760	40,000
II - Receivables from reinsurance operations	3,906	8	271
III - Other receivables	121,474	92,229	87,732
TOTALE	153,949	129,997	128,003
F) OTHER ASSETS			
I - Tangible assets	8,033	6,701	7,371
II - Liquid assets	459,982	309,495	284,040
III - Own shares or quotas	9,399	7,928	3,372
IV - Other assets	34	32	1,793
TOTAL	477,448	324,156	296,576
G) PREPAYMENTS AND ACCRUED INCOME	67,921	48,287	75,234
TOTAL ASSETS	13,622,399	13,519,113	12,346,865

millions of Lira

31.03.2001 31.12.2000 31.03.2000

SHAREHOLDERS' EQUITY AND LIABILITIES

A) CAPITAL AND RESERVES			
I - Pertaining to the Group:			
1. Subscribed capital or equivalent	144,994	144,994	144,994
2. Net equity reserves	328,869	192,915	295,240
3. Consolidation reserve	200,937	185,330	185,331
4. Reserve for difference of valuation regarding companies in which investments are held and not included in the consolidation area	212,029	141,533	141,833
5. Reserve for exchange rate difference	0	0	0
6. Reserves for own shares and shares of the parent company	9,399	7,928	3,372
7. Profit for the period	50,115	223,528	66,943
TOTAL GROUP SHAREHOLDERS' EQUITY	946,343	896,228	837,713
II - Minority interests			
1. Share capital and reserves	0	0	0
2. Profit (loss) for the period	0	0	0
TOTAL MINORITY INTERESTS	0	0	0
TOTAL	946,343	896,228	837,713
B) SUBORDINATED LIABILITIES	0	0	0
C) TECHNICAL RESERVES			
I - NON-LIFE			
1. Premiums reserve	0	0	0
2. Claims reserve	0	0	0
3. Equalization provision	0	0	0
4. Other	0	0	0
TOTAL NON-LIFE	0	0	0
II - LIFE			
1. Actuarial reserve	4,261,841	4,460,995	5,399,359
2. Reserve for amounts to be paid	48,992	78,714	38,211
3. Others	102,859	99,779	93,413
TOTAL LIFE	4,413,692	4,639,488	5,530,983
TOTAL TECHNICAL RESERVES	4,413,692	4,639,488	5,530,983
D) TECHNICAL RESERVES WHEN THE RISK IS CARRIED BY POLICYHOLDERS AND FROM PENSION FUND MANAGEMENT	7,388,702	7,105,329	5,357,437
E) PROVISION FOR RISKS AND CHARGES	52,202	42,246	53,992
F) DEPOSITS RECEIVED FROM REINSURERS	370,913	383,400	432,633
G) ACCOUNTS PAYABLE AND OTHER LIABILITIES			
I - Payables arising from direct insurance operations	3,539	7,147	4,233
II - Payables arising from reinsurance operations	649	11,160	70,411
III - Debenture loans	0	0	0
IV - Payables to credit institutions	328,021	334,857	0
V - Other loans and debts	0	0	0
VI - Employee termination indemnity	7,661	7,753	6,514
VII - Other liabilities	105,600	90,207	51,815
TOTAL	445,470	451,124	132,973
H) ACCRUALS AND DEFERRED INCOME	5,077	1,298	1,134
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	13,622,399	13,519,113	12,346,865

Income statement

TECNICAL ACCOUNT OF LIFE BUSINESS

<i>millions of Lira</i>	31.03.2001	31.03.2000	31.12.2000
1. EARNED PREMIUMS, NET OF REINSURANCE	700,974	540,033	2,935,545
2. ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT	56,669	64,337	204,297
3. UNREALISED GAIN ON INVESTMENTS ALLOCATED TO LIFE POLICYHOLDERS CARRYING THE RELEVANT RISK AND FROM PENSION FUND MANAGEMENT	77,059	289,017	515,612
4. OTHER TECHNICAL INCOME, NET OF REINSURANCE	17,535	937	18,483
5. CLAIMS INCURRED, NET OF REINSURANCE	(247,330)	(188,831)	(1,136,862)
6. CHANGE IN ACTUARIAL RESERVES AND OTHER TECHNICAL RESERVES, NET OF REINSURANCE			
a) Actuarial reserves, premium reserve of ancillary insurance and other technical reserves	183,571	243,667	1,125,678
b) Life insurance reserves when the risk is carried by policyholders and from pension fund management	(283,373)	(837,642)	(2,585,534)
TOTAL	(99,802)	(593,975)	(1,459,856)
7. REFUNDS AND PROFIT SHARING, NET OF REINSURANCE	0	0	0
8. OPERATING EXPENSES			
a) Acquisition costs net of commissions and reinsurers' profit sharing	(83,244)	(40,151)	(301,776)
b) Administrative expenses	(7,099)	(6,089)	(25,526)
TOTALE	(90,343)	(46,240)	(327,302)
9. UNREALISED LOSS ON INVESTMENTS ALLOCATED TO POLICYHOLDERS CARRYING THE RELEVANT RISK AND FROM PENSION FUND MANAGEMENT	(374,401)	(34,848)	(645,941)
10. OTHER TECHNICAL CHARGES, NET OF REINSURANCE	(2,436)	(71)	(2,064)
11. TOTAL TECHNICAL ACCOUNT OF LIFE BUSINESS	37,925	30,359	101,912

<i>millions of Lira</i>	31.03.2001	31.03.2000	31.12.2000
1. TOTAL TECHNICAL ACCOUNT OF NON-LIFE BUSINESS	0	0	0
2. TOTAL TECHNICAL ACCOUNT OF LIFE BUSINESS	37,925	30,359	101,912
3. INVESTMENT INCOME			
a) Investment income	103,788	132,381	461,709
b) Adjustment to the value of financial investments	1	1,582	1,838
c) Gain on the realisation of investments	2,087	5,577	13,735
TOTAL	105,876	139,540	477,282
4. FINANCIAL PAYABLES AND LOSSES ON ASSETS			
a) Investment management expenses and interest on bank loans	(5,501)	(10,040)	(27,906)
b) Adjustments to the value of investments	(563)	(8,010)	(26,944)
c) Loss on the realisation of investments	(337)	(695)	(3,825)
TOTAL	(6,401)	(18,745)	(58,675)
5. (-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE TECHNICAL ACCOUNT OF LIFE BUSINESS	(56,669)	(64,337)	(204,297)
6. OTHER REVENUES	3,718	4,771	16,375
7. OTHER CHARGES	(28,627)	(18,337)	(100,282)
8. TOTAL ORDINARY OPERATIONS	55,822	73,251	232,315
9. EXTRAORDINARY INCOME	4,727	7,136	22,998
10. EXTRAORDINARY CHARGES	(404)	(392)	(3,657)
11. TOTAL EXTRAORDINARY OPERATIONS	4,323	6,744	19,341
12. PROFIT BEFORE TAXES	60,145	79,995	251,656
13. INCOME TAXES FOR THE PERIOD	(10,030)	(13,052)	(28,128)
14. CONSOLIDATED RESULTS	50,115	66,943	223,528
15. PROFIT FOR THE PERIOD RELATING TO MINORITY INTERESTS	0	0	0
16. GROUP PROFIT FOR THE PERIOD	50,115	66,943	223,528

NON-TECHNICAL ACCOUNT

Notes to the consolidated financial statements at March 31, 2001

The consolidated financial statements at March 31, 2001 are presented in accordance with the CONSOB deliberation no. 11971 of May 14, 1999, and per the requirements of Law Decree no. 173/97.

The consolidation principles and criteria used for the subsidiary companies included in the consolidation are consistent with those used in the preparation of the consolidated financial statements at December 31, 2000.

The companies included in the consolidation of the Mediolanum group did not change as compared to December 31, 2000.

List of the companies which are consolidated on a line-by-line basis:

<i>millions of Lira</i> Company	% di holding	Share capital	Head office	Activity
Mediolanum Vita S.p.A.	100	170,000	Basiglio	Life insurance
Partner Time S.p.A.	100	1,000	Basiglio	Distribution of Life insurance products

List of the companies directly controlled by Mediolanum S.p.A. and valued using the equity method:

<i>millions of Lira</i> Company	% di holding	Share capital	Head office	Activity
Banca Mediolanum S.p.A. Mediolanum	100	375,000	Basiglio	Banking Stockbrokerage company
State Street Sgr.p.A.	50	5,000	Basiglio	Audio/Film/TV production
Mediolanum Comunicazione S.r.l.	100	1,500	Basiglio	Trust company without discretionary power
Mediolanum Fiduciaria S.p.A.	100	1,000	Basiglio	Real Estate
PI Distribuzione S.r.l.	100	1,000	Basiglio	Management of mutual funds
Mediolanum Gestione Fondi Sgr.p.A.	100	10,000	Basiglio	Management of mutual fund
Mediolanum International Funds Ltd	100	305	Dublin	Asset Management and consultancy
Mediolanum Asset Management Ltd	100	€150,000	Dublin	

List of the companies indirectly controlled by Mediolanum S.p.A. and valued using the equity method:

<i>millions of Lira</i> Company	% di holding	Share capital	Head office	Activity
Fibanc Inversiones.S.A.	69.92	13,266	Barcelona	Investment Company
Banco de finanzas e Inversiones S.A.	69.92	22,073	Barcelona	Banking
Ges Fibanc SGIIC S.A.	69.92	4,853	Barcelona	Management of mutual funds
Fibanc S.A.	69.92	582	Barcelona	Financial advisory company
Fibanc Pensiones S.G.F.P. S.A.	69.92	1,746	Barcelona	Management of mutual fund
Fibanc FAIF S.A.	69.92	116	Barcelona	Financial consulting company
Fibanc Valores AVB S.A.	69.92	1,746	Barcelona	Stockbrokerage company
Andino AVB S.A.	69.92	1,746	Madrid	Stockbrokerage company
Fibanc International S.A.	69.92	USD 50,000	Luxembourg	Investment advisory service
Fibanc Services Inc.	69.92	€ 19,110	B.V.I.	Management of mutual fund
Fibanc Argentina	69.92	USD 50,000	Buenos Aires	Business representatives
Ranking Capital S.A.	69.92	538	Andorra	Asset management services

List of the companies directly controlled by Mediolanum S.p.A. and valued at cost since not yet fully operational:

<i>millions of Lira</i> Company	% di holding	Share capital	Head office	Activity
Mediolanum International S.A.	100	€ 500,000	Luxembourg	Sub-holding company
DueMme S.p.A.	48.5	25,000	Milan	Banking

The consolidated financial statements were prepared in accordance with the Italian law relating to financial statements (Article 16 of Law Decree no. 173/97, Article 2426 of the Italian Civil Code) and with the accounting standards issued by the relevant professional bodies. They are consistent with those used in the preparation of the consolidated financial statements at December 31, 2000.

Amounts are expressed in millions of Lira.

**CONSOLIDATED
BALANCE SHEET
INFORMATION**

ASSETS

**INTANGIBLE ASSETS
(ITEM B)**

Other intangible assets include:

<i>millions of Lira</i>	31.03.01	31.12.00	31.03.00
Start-up and expansion costs	43,391	46,688	56,868
Concessions, licences, trademarks and similar rights	11,809	11,198	9,649
Improvements on leased goods	671	736	944
Intangible assets under formation and advances	180	180	74
TOTAL	56,051	58,802	67,535

Start-up and expansion costs are as follows:

<i>millions of Lira</i>	31.03.01	31.12.00	31.03.00
Sales network contests	12,692	13,842	17,040
Commissions to be returned to reinsurers	30,562	32,575	38,633
Other start-up and expansion costs	137	271	1,195
TOTAL	43,391	46,688	56,868

Start-up and expansion costs are systematically amortized over a period of five years.

The remainder are the costs incurred for the incorporation of Mediolanum S.p.A. and the costs incurred by the same for the placing of its shares and related placement on the Italian Stock Market. Costs for the share capital increase of Mediolanum Vita S.p.A. are also included.

“Concessions, licences, trademarks and similar rights” mainly consists of software used under license.

Total movements on the above items are shown in detail in attachment 1.

**INVESTMENTS
(ITEM C)**

Item C I Land and buildings includes:

<i>millions of Lira</i>	31.03.01	31.12.00	31.03.00
Company buildings	38,700	39,049	39,212
Residential buildings leased to third parties	93,595	94,505	95,219
Industrial buildings leased to third parties	21,506	21,716	22,349
TOTAL	153,801	155,270	156,780

The buildings, all owned by the company Mediolanum Vita S.p.A., were subject to valuation: a market value of 189,850 million Lira. For all buildings subject to valuation, the market value proved higher than the accounting value.

Total movements in the above items are shown in detail in the attachment 2.

Item C II 1 *Shares and quotas* is analysed as follows:

a) “Shares of subsidiaries”: 966 million Lira relates to Mediolanum International S.A., a company entirely controlled by Mediolanum S.p.A. and based in Luxembourg, valued at cost since it is not yet operational, thus of no effect for a true and correct compilation of the consolidated financial statements; 508,885 million Lira refers to companies that are directly controlled by Mediolanum S.p.A. but are not engaged in the transaction of insurance or related business and were therefore evaluated by using the equity method.

This item also takes into account the 75,000 million Lira increase in the share capital of Banca Mediolanum S.p.A., aimed at strengthening assets needed to increase the majority interest held in Fibanc Inversiones S.A., a company based in Barcelona, as a consequence of which Banca Mediolanum now holds 69.92% of its share capital.

b) “Fininvest Group shares and quotas” of 191 million Lira relates to:

<i>millions of Lira</i> Company	Share capital	% holding	Head office
Consorzio Aeromobili Fininvest	1,000	19	via Paleocapa 3 Milano

c) “Shares and quotas in associated companies ” relate to 49,978 million Lira to a 48.50% share in DueMme S.p.A., a 50-50 joint-venture with Mediobanca S.p.A. operating in the private banking sector, valued at cost, since not yet fully operational, as well as to 10,366 million Lira in companies valued using the equity method listed in the following table:

<i>millions of Lira</i> Company	Share capital	% holding	Head office
Vicenza Life Ltd	€ 634,850	40	Dublin
Vicenza Funds Ltd	€ 126,970	40	Dublin

d) “Shares and quotas of other companies in which investments are held” of 248,785 million Lira relates to:

<i>millions of Lira</i> Company	Share capital	% holding	Head office
Cedacri Ovest S.p.A.	14,448	10	Via Liguria 33 Castellazzo B.da (AL)
Europa Invest S.A.	€ 125,000	14	14 rue Aldringen Lussemburgo
Mediobanca S.p.A.	595,946	2.154	Via Filodrammatici 10 Milano
SIA S.p.A.	€ 8,123,683.76	4.999	Viale Certosa 218 Milano
Rita S.r.l.	11,000	0.239	Piazza S. Babila 1 Milano

and consists of:

<i>millions of Lira</i>	31.03.01	31.12.00	31.03.00
Cedacri Ovest S.p.A.	1,949	1,949	1,949
Europa Invest S.A.	27	27	27
Mediobanca S.p.A.	222,759	222,759	0
SIA S.p.A.	24,024	24,024	0
Rita S.r.l.	26	26	26
TOTAL	248,785	248,785	2,002

Loans relates to a credit line falling due December 31, 2001 given by Mediolanum S.p.A. to PI Distribuzione S.r.l., a subsidiary valued by the equity method.

Item C III *Other financial investments* includes:

Loans (item III 4) is as follows:

<i>millions of Lira</i>	31.03.01	31.12.00	31.03.00
Secured loans on life insurance policies	37,848	38,796	38,846
Loans to consultants	769	769	1,120
Other loans	648	698	470
TOTAL	39,265	40,263	40,436

The *Other loans* (item III 5) consists of deposits with credit institutions subject to a time constraint of greater than 15 days.

Changes relate to the current cash investment strategy.

The other long-term financial investments, all included in *Bonds and other fixed income securities*, amount to 2,668,278 million Lira and mostly concern fixed income securities issued by the Government and public bodies.

The other financial investments which will not remain in company assets amount to 1,423,632 million Lira and consist of:

<i>millions of Lira</i>	31.03.01	31.12.00	31.03.00
Shares and quotas	1,046	496	11,324
Mutual fund shares	611,607	665,172	808,787
Bonds and other fixed income securities	471,692	556,743	510,230
Deposits with credit institutions	339,287	340,269	466,193
Other financial investments	0	0	549,395
TOTAL	1,423,632	1,562,680	2,345,929

The evaluation of long-term financial investments at current value shows potential losses of 115,004 million Lira and potential gains of 14,615 million Lira.

The evaluation of financial investments at current value which will not remain in Groups assets shows a potential gain of 8,071 million Lira.

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

<i>millions of Lira</i>	31.03.01	31.12.00	31.03.00
Due from policyholders in the year	17,647	17,023	33,440
Due from policyholders from previous years premiums	53	753	732
Due from intermediaries	10,543	19,647	5,426
Due from intermediaries for portfolio compensations	51	51	65
Other due from intermediaries	275	286	337
TOTAL	28,569	37,760	40,000

RECEIVABLES AND OTHER
ASSETS (ITEMS E - F - G)

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

<i>millions of Lira</i>	31.03.01	31.12.00	31.03.00
Due from real estate leases	1,705	1,485	1,911
Due from Mediolanum Group companies			
Due from Fininvest Group and Doris Group companies	4,369	2,831	3,109
Due from tax authorities	86,248	84,093	80,953
Due from employees	63	73	190
Guarantee deposits	154	154	154
Advances to suppliers and professionals	466	247	153
Other receivables	25,351	1,393	316
TOTAL	121,474	92,229	87,732

“Due from Mediolanum Group companies” consists of the recharge of costs for seconded employees of Mediolanum S.p.A. in subsidiary companies, as well as amounts concerning the funds of employees transferred from other Group companies.

“Due from Fininvest Group and Doris Group companies” consists of an amount due from Mediolanum Assicurazioni S.p.A. and relates to the recharge of costs for seconded employees and to commissions on the sale of insurance policies.

“Other receivables” mainly relates to profit on securities collected at the beginning of April.

“Due from tax authorities” is analysed as follows:

<i>millions of Lira</i>	31.03.01	31.12.00	31.03.00
Tax reimbursements	25,886	25,531	28,981
Advance payments and amounts brought forward	22,132	22,132	19,362
Tax withholding	7,792	5,848	3,838
Tax credits on dividends and mutual funds	29,840	29,840	28,367
Other	598	742	405
TOTAL	86,248	84,093	80,953

Item F I *Tangible assets* is analysed as follows:

<i>millions of Lira</i>	31.03.01	31.12.00	31.03.00
Furniture and fittings	2,719	2,953	4,302
Systems	116	128	20
Equipment	1,235	877	400
Electric and electronic equipment	3,921	2,574	2,423
Advances	0	0	226
Other	42	169	0
TOTAL	8,033	6,701	7,371

Total movements on the above items are shown in detail in attachment 2.

Item F II *Liquid assets* represents the balance of 343,788 million Lira in ordinary current accounts with Banca Mediolanum S.p.A. and other credit institutions for the remainder which is mainly employed in hot money operations with a duration of less than 15 days.

Item F III *Own shares* consists of 410,000 shares of Mediolanum S.p.A. at a par value of 82 million Lira.

Item G *Prepayments and accrued income* is analysed as follows:

<i>millions of Lira</i>	31.03.01	31.12.00	31.03.00
Accrued interest on securities	64,407	47,135	74,225
Other accrued income	3,098	877	628
Prepayments for insurance	21	141	34
Prepayments for leases and rentals	7	15	0
Other prepayments	388	118	347
TOTAL	67,921	48,287	75,234

Changes in consolidated capital and reserves are in attachment no. 3.

<i>millions of Lira</i>	Capital and reserves	Profit for the year	Total shareholders' equity
Parent company financial statements as at March 31, 2000	443,607	11,434	455,041
Subsequent changes in carrying value and shareholders' equity of companies included in consolidation	186,613	6,156	192,769
Difference in investments valued by the equity method	143,431	50,033	193,464
Infra-group dividends	0	0	0
Application of group wide accounting policies	(1,545)	(673)	(2,218)
Elimination infra-group transactions	(1,336)	(7)	(1,343)
Consolidated financial statements as at March 31, 2000	770,770	66,943	837,713

<i>millions of Lira</i>	Capital and reserves	Profit for the year	Total shareholders' equity
Parent company financial statements for the year 2000	345,837	137,425	483,262
Subsequent changes in carrying value and shareholders' equity of companies included in consolidation	185,313	18,242	203,555
Difference in investments valued by the equity method	28,831	192,996	221,827
Infra-group dividends	115,600	(115,600)	0
Application of Group-wide accounting policies	(1,545)	(1,313)	(2,858)
Elimination infra-group transactions	(1,336)	(245)	(1,581)
Amortization of consolidation differences in the company's equity investments valued using the equity method	0	(7,786)	(7,786)
Amortization of capital gains attributed to buildings at the date of acquisition of the company, valued using the equity method	0	(191)	(191)
Consolidated financial statements for the year 2000	672,700	223,528	896,228

SHAREHOLDERS' EQUITY AND LIABILITIES

CAPITAL AND RESERVES (ITEMS A - B)

CHANGES IN CONSOLIDATED CAPITAL AND RESERVES IN THE YEAR

RECONCILIATION BETWEEN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY AND THE CONSOLIDATED FINANCIAL STATEMENTS

<i>millions of Lira</i>	Capital and reserves	Profit for the year	Total shareholders' equity
Parent company financial statements as at March 31, 2001	483,262	135,396	618,658
Subsequent changes in carrying value and shareholders' equity of companies included in consolidation	203,555	16,554	220,109
Difference in investments valued by the equity method	80,802	42,270	123,072
Infra-group dividends	141,025	(141,025)	0
Application of Group-wide accounting policies	(2,858)	1,940	(918)
Elimination infra-group transactions	(1,581)	(7)	(1,588)
Amortization of consolidation differences in the company's equity investments valued using the equity method	(7,786)	(4,912)	(12,698)
Amortization of capital gains attributed to buildings as at the date of acquisition of the company valued using the equity method	(191)	(101)	(292)
Consolidated financial statements at March 31, 2001	896,228	50,115	946,343

**TECHNICAL RESERVES
AND OTHER PROVISIONS
(ITEMS C - D - E)**

Item D Technical reserves when the risk is carried by policyholders and provisions for pension funds management is analysed as follows:

<i>millions of Lira</i>	31.03.01	31.12.00	31.03.00
Technical reserves on unit-linked products	4,245,729	4,146,093	2,814,677
Technical reserves on index-linked products	3,140,305	2,956,934	2,541,637
Technical reserves resulting from pension funds management	2,668	2,302	1,123
TOTAL	7,388,702	7,105,329	5,357,437

Item E Provision for risks and charges is analysed as follows:

<i>millions of Lira</i>	31.03.01	31.12.00	31.03.00
Provision for retirement pay and similar obligations	0	0	1
Provision for taxes	48,245	38,207	50,586
Other provisions	3,957	4,039	3,405
TOTAL	52,202	42,246	53,992

The "Provision for taxes" is analysed as follows:

<i>millions of Lira</i>	31.03.01	31.12.00	31.03.00
Provision for IRPEG-IRAP (corporate income tax-tax on productive activities)	43,309	30,675	43,590
Provision for taxes for assessments	109	425	425
Provision for deferred taxes	4,827	7,107	6,571
TOTAL	48,245	38,207	50,586

Deferred taxes are net of tax advances and amounted to Lira 3,830 million.

“Other provisions” is analysed as follows:

<i>millions of Lira</i>	31.03.01	31.12.00	31.03.00
Provision for future risks	785	785	799
Provision against illegal acts by agents	243	243	243
Staff loyalty provision	332	206	86
Employee holiday pay accrual	2,569	2,777	2,249
Sundry provisions	28	28	28
TOTAL	3,957	4,039	3,405

Approximately 10,500 million Lira of the sharp drop in item G II *Payables arising from reinsurance operations* relates to debt payment for the year 2000 resulting from the transformation implemented by Mediolanum Vita S.p.A.

PAYABLES AND OTHER
LIABILITIES (ITEMS G - H)

Item G IV *Due to banks and financial institutions* is due to the utilisation of credit granted to Mediolanum S.p.A. by primary banks.

Item G VII *Other liabilities* is analysed as follows:

<i>millions of Lira</i>	31.03.01	31.12.00	31.03.00
Taxes recharged to policyholders	2,321	8,319	4,723
Taxes	5,430	7,711	2,890
Due to social security institutions	1,124	1,723	830
Trade accounts	13,919	12,480	8,268
Due to Mediolanum Group companies	52,978	40,576	18,521
Due to Fininvest Group and Doris Group companies	1,485	1,582	2,373
Other	12,103	6,561	9,249
Other liabilities	16,240	11,255	4,961
TOTAL	105,600	90,207	51,815

“Taxes” for the current year mainly relates to advance withholding tax.

“Due to social security institutions” pertains to social security contributions for March wages that are regularly paid in April.

“Trade accounts” is analysed as follows:

<i>millions of Lira</i>	31.03.01	31.12.00	31.03.00
Services received	6,985	6,664	6,162
Invoices to be received	6,507	5,034	1,292
Emoluments of Directors and Statutory Auditors	378	603	578
Professional services	49	179	236
TOTAL	13,919	12,480	8,268

“Due to Mediolanum Group companies” relates almost entirely to commissions paid by Mediolanum S.p.A. to Banca Mediolanum S.p.A. for the marketing of insurance products.

“Due to Fininvest Group and Doris Group companies” consists mainly of amounts due to Mediolanum Assicurazioni S.p.A. for recharge costs for seconded employees and amounts due to companies linked to Fininvest Group for contractually defined provisions: property services, transport and maintenance. All services are in line with the best market price.

“Other liabilities” relates to:

<i>millions of Lira</i>	31.03.01	31.12.00	31.03.00
Commissions for unearned premiums	12,243	3,114	3,323
Outstanding earned premiums	1,844	7,129	0
Provision for 13th/14th month salary and production premiums	2,153	1,012	1,638
TOTAL	16,240	11,255	4,961

Item H *Accruals and deferred income* is analysed as follows:

<i>millions of Lira</i>	31.03.01	31.12.00	31.03.00
Deferred income	4,496	1,139	807
Deferred income on lease instalments	581	159	327
TOTAL	5,077	1,298	1,134

CONSOLIDATED INCOME STATEMENT INFORMATION

INFORMATION ON TECHNICAL ACCOUNTS

Gross premiums is analysed as follows:

<i>millions of Lira</i>	Direct operations	Reinsurance	Operations
I - Life insurance	70,865	14	70,879
II - Marriage and birth insurance	0	0	0
III - Unit-linked insurance as per I and II	629,357	0	629,357
IV - Health insurance	0	0	0
V - Capitalisation operations	5,722	0	5,722
VI - Fund management	574	0	574
GROSS PREMIUMS	706,518	14	706,532

Premiums are collected entirely in Italy and are analysed as follows:

<i>millions of Lira</i>	31.03.01	31.03.00	31.12.00
First year premiums	90,189	53,171	306,095
Subsequent year premiums	232,253	184,812	879,619
Single premiums	384,077	309,077	1,781,606
Indirect premiums	14	0	58
(less) Reinsurance ceded	(5,559)	(7,027)	(31,833)
NET PREMIUMS	700,974	540,033	2,935,545

The *Return on investments transferred from the Non-life technical account* is determined as per the ISVAP Provision dated March 8, 1999 No. 1140 G.

Acquisition commissions include commissions paid to Banca Mediolanum S.p.A. of 75,505 million Lira.

Investment income (item 3a) is analysed as follows:

<i>millions of Lira</i>	31.03.01	31.03.00	31.12.00
Results for the year on investments evaluated using the equity method	37,250	50,043	184,912
Income from land and buildings	1,312	1,047	5,980
Shares in mutual funds	15,010	24,262	45,120
Bonds and other fixed income securities	42,391	44,006	175,803
Financial investments	516	655	3,059
Deposits at credit institutions	7,309	7,883	33,674
Other financial investments	0	4,485	9,951
TOTAL	103,788	132,381	458,499

INFORMATION
ON THE NON-TECHNICAL
ACCOUNTS

Income from “deposits at credit institutions” includes interest from deposits at Banca Mediolanum S.p.A. of 2,157 million Lira.

Adjustments to the value of financial investments (3 b) is analysed as follows:

<i>millions of Lira</i>	31.03.01	31.03.00	31.12.00
Shares	0	192	0
Shares in mutual funds	0	232	92
Bonds and other fixed income securities	1	1,158	1,746
TOTAL	1	1,582	1,838

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

<i>millions of Lira</i>	31.03.01	31.03.00	31.12.00
Shares	599	1,429	7,278
Bonds and other fixed income securities	1,488	397	1,465
Other financial investments	0	3,751	4,992
TOTAL	2,087	5,577	13,735

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

<i>millions of Lira</i>	31.03.01	31.03.00	31.12.00
Management expenses of real estate investments	304	290	1,170
Other investment management expenses	115	242	1,693
Interest on deposit accounts with reinsurance companies	5,082	8,955	25,043
TOTAL	5,501	9,487	27,906

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

<i>millions of Lira</i>	31.03.01	31.03.00	31.12.00
Fixed asset depreciation	560	553	2,226
Shares	0	0	53
Mutual funds	0	5,877	6,978
Bonds and other fixed income securities	3	2,133	17,687
TOTAL	563	8,563	26,944

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

<i>millions of Lira</i>	31.03.01	31.03.00	31.12.00
Mutual funds	287	286	1,612
Bonds and other fixed income securities	45	407	2,201
Other financial investments	5	2	12
TOTAL	337	695	3,825

Other revenues (item 6) is analysed as follows:

<i>millions of Lira</i>	31.03.01	31.03.00	31.12.00
Commissions income for the sale of non-Life policies	1,517	1,984	8,690
Recharge of cost of employees seconded to Mediolanum Group companies evaluated by the equity method	1,234	927	3,823
Recharge of cost of employees seconded to Fininvest Group and Doris Group companies	310	158	713
Recouperation of costs	302	249	1,392
Interest from the tax authorities	355	552	810
Utilisation of provision for specific risks	0	0	7
Other revenue	0	901	940
TOTAL	3,718	4,771	16,375

“Commission income for the sale of non-Life policies”, calculated at market rate, relates to the sale of insurance policies by Mediolanum Assicurazioni S.p.A., which is jointly owned (50-50) by the Fininvest Group and the Doris Group.

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

Other costs (item 7) consists of:

<i>millions of Lira</i>	31.03.01	31.03.00	31.12.00
Interest on loans	4,020	0	0
Interest payable on other amounts payable	14	5	26
Commission income for the sale of non-Life policies	1,517	1,984	8,690
Cost of Mediolanum S.p.A. staff	9,369	6,549	30,136
Other administrative expenses of Mediolanum S.p.A.	8,405	4,551	31,023
Amortisation of intangible assets	5,229	5,241	21,956
Accruals to the provision for the write-down of debt	0	0	49
Accruals to the provision for specific risks	73	0	0
Other costs	0	7	266
TOTAL	28,627	18,337	92,146

“Commission income for the sale of non-Life policies” is determined at market rate and relates to the sale of insurance policies by Mediolanum Assicurazioni S.p.A., which is jointly owned (50-50) by the Fininvest Group and the Doris Group and charged by Mediolanum S.p.A. to Banca Mediolanum S.p.A, a company valued by the equity method.

Extraordinary income (item 9) is as follows:

<i>millions of Lira</i>	31.03.01	31.03.00	31.12.00
Gain on the sale of long-term investments	190	0	7,090
Gain on the sale of assets	66	4	145
Gain on the sale of bonds and other fixed income securities	4,408	7,114	14,346
Other extraordinary income	0	0	0
Out of period revenues	9	18	1,417
TOTAL	4,673	7,136	22,998

Extraordinary charges (item 10) are analysed as follows

<i>millions of Lira</i>	31.03.01	31.03.00	31.12.00
Loss on the sale of assets	0	1	4
Loss on the sale of bonds and other fixed income securities	0	154	2,685
Out of period expenses	404	237	968
TOTAL	404	392	3,657

The performance in the first quarter of 2001 of the companies belonging to the Group leads us to believe that the result for the year will be favourable.

For the Board of Directors

The Chairman

Prof. Roberto Ruozi

MEDIOLANUM GROUP

ATTACHMENTS



ATTACHMENT 1

ANALYSIS OF CHANGES IN INTANGIBLE ASSETS AT MARCH 31, 2001

millions of Lira

	Opening situation			
	Historic costs	Accum. amortis.	Balance 31.12.00	Additions
Intangible fixed assets				
Start-up and expansion costs	85,666	(38,978)	46,688	657
Concessions, licenses, trademarks and similar rights	23,495	(12,297)	11,198	1,790
Improvements on leased properties	4,559	(3,823)	736	32
Assets under formation and advances	180	0	180	0
TOTAL	113,900	(55,098)	58,802	2,479

ATTACHMENT 2

ANALYSIS OF CHANGES IN TANGIBLE FIXED ASSETS AT MARCH 31, 2001

millions of Lira

	Opening situation			
	Historic costs	Accum. amortis.	Balance 31.12.00	Additions
Tangible fixed assets				
Land and buildings	169,123	(13,853)	155,270	0
Plant and machinery	369	(241)	128	0
Industrial and trade equipment	2,387	(1,510)	877	439
Other tangible fixed assets	23,931	(18,236)	5,695	1,897
Assets under construction/advances	0	0	0	0
TOTAL	195,810	(33,840)	161,970	2,336

Movements for the period			Closing situation		
Net disposals	Amortisation	Net reclassifications	Historic cost	Accum. amortis.	Balance 31.03.01
0	(3,954)	0	86,323	(42,932)	43,391
0	(1,179)	0	25,285	(13,476)	11,809
0	(97)	0	4,591	(3,920)	671
0	0	0	180	0	180
0	(5,230)	0	116,379	(60,328)	56,051

Movements for the period			Closing situation		
Net disposals	Amortisation	Net reclassifications	Historic cost	Accum. amortis.	Balance 31.03.01
(909)	(560)	0	168,214	(14,413)	153,801
0	(12)	0	369	(253)	116
0	(81)	0	2,826	(1,591)	1,235
(106)	(804)	0	25,722	(19,040)	6,682
0	0	0	0	0	0
(1,015)	(1,457)	0	197,131	(35,297)	161,834

ATTACHMENT 3

ANALYSIS OF CHANGES IN CONSOLIDATED CAPITAL AND RESERVES AT MARCH 31, 2001

<i>millions of Lira</i>	Share capital	Net equity reserves	Consolidation reserve
Consolidated balance at December 31, 2000	144,994	192,915	185,330
Increase of paid-in share capital			
Allocation of profit for the period			
- dividend payment			
- reserve		137,425	15,607
Creation of reserve for own shares	100	(1,471)	
Profit (loss) for the period			
Consolidated balance at March 31, 2001	144,994	328,869	200,937

Reserve diff. val. companies not incl. in consol. area	Reserve for exchange rate difference	Reserve for own shares and shares of parent company	Consolidated profit	Total shareholders' equity
141,533		7,928	223,528	896,228
				0
70,496			(223,528)	0
		1,471		0
			50,115	50,115
212,029		9,399	50,115	946,343

ATTACHMENT 4

millions of Lira

31.03.2001

CONSOLIDATED CASH FLOW STATEMENT AT MARCH 31, 2001

OPENING CASH	309,495
Group profit (loss) for the period	50,115
Net amortisation, depreciation and provisions for risks and charges	6,687
Net gain on the disposal of fixed assets	(257)
Change in technical reserves net of reinsurance	74,833
Change in tax provision and other specific provisions	9,956
Net change in employee termination indemnity	(92)
Net change in payables and receivables with insurers and reinsurers	(21,313)
Net change in other payables and receivables and other assets and liabilities	(13,854)
Net change in accruals and prepayments and deferrals	(15,855)
Total cash flow from operations	90,220
Net investments in intangible assets	(2,479)
Net investments in tangible fixed assets	(2,532)
Net increase in equity interests held	(962)
Own shares acquired	(1,471)
Net increase in financial investments	74,547
Total cash flow from investing activities	67,103
Utilisation of credit lines	(6,836)
Total cash flow from financing activities	(6,836)
CASH FLOW FOR THE PERIOD	150,487
CASH AT END OF THE PERIOD	459,982

thousands of Euro

31.03.2001 31.12.2000 31.03.2000

ATTACHMENT 5
IN EURO

**BALANCE SHEET
ASSETS**

A) DUE FROM SHAREHOLDERS FOR SHARE CAPITAL			
STILL TO BE PAID-IN	0	0	0
B) INTANGIBLE ASSETS			
1. Unamortised acquisition costs	0	0	0
2. Other assets	28,948	30,369	34,879
3. Consolidation difference	0	0	0
TOTAL	28,948	30,369	34,879
C) INVESTMENTS			
I - Land and buildings	79,432	80,190	80,970
II - Investments in Group companies and other companies			
1. Shares and quotas	423,067	422,570	143,970
2. Bonds	0	7,566	0
3. Financial loans	671	671	878
TOTAL INVESTMENT IN GROUP COMPANIES AND OTHER COMPANIES	423,738	430,807	144,848
III - Other financial investments			
1. Shares and quotas	540	256	5,848
2. Quotas of mutual funds	315,869	343,533	417,704
3. Bonds and other fixed income securities	1,621,659	1,769,783	1,896,988
4. Financial loans	20,279	20,794	20,883
5. Others	175,227	175,734	524,507
TOTAL OTHER FINANCIAL INVESTMENTS	2,133,574	2,310,100	2,865,930
IV - Deposits with transferring companies	0	0	1
TOTAL	2,636,743	2,821,097	3,091,749
D) INVESTMENTS ALLOCATED TO LIFE POLICYHOLDERS			
CARRYING THE RELEVANT RISK AND			
FROM PENSION FUND MANAGEMENT	3,815,946	3,669,596	2,766,885
D bis) REINSURERS' SHARE OF TECHNICAL RESERVES			
I - Non-Life technical reserves	0	0	0
II - Life technical reserves	192,577	201,489	224,979
<i>(excluding reserves as per point III)</i>			
III - Technical reserves when the risk is carried by policyholders and from pension fund management	0	0	0
TOTAL	192,577	201,489	224,979
E) RECEIVABLES			
I - Receivables from direct insurance operations	14,755	19,501	20,658
II - Receivables from reinsurance operations	2,017	4	140
III - Other receivables	62,736	47,632	45,310
TOTAL	79,508	67,138	66,108
F) OTHER ASSETS			
I - Tangible assets	4,149	3,461	3,807
II - Liquid assets	237,561	159,841	146,694
III - Own shares or quotas	4,854	4,094	1,741
IV - Other assets	18	17	926
TOTAL	246,581	167,413	153,168
G) PREPAYMENTS AND ACCRUED INCOME	35,078	24,938	38,855
TOTAL ASSETS	7,035,382	6,982,039	6,376,623

**SHAREHOLDERS' EQUITY
AND LIABILITIES**

thousands of Euro

31.03.2001 31.12.2000 31.03.2000

	31.03.2001	31.12.2000	31.03.2000
A) CAPITAL AND RESERVES			
I - Pertaining to the Group:			
1. Subscribed capital or equivalent	74,883	74,883	74,883
2. Net equity reserves	169,847	99,632	152,479
3. Consolidation reserve	103,775	95,715	95,715
4. Reserve for difference of valuation regarding companies in which investments are held and not included in the consolidation area	109,504	73,096	73,251
5. Reserve for exchange rate difference	0	0	0
6. Reserves for own shares and shares of the parent company	4,854	4,094	1,741
7. Profit for the period	25,882	115,443	34,573
TOTAL GROUP SHAREHOLDERS' EQUITY	488,745	462,863	432,642
II - Minority interests			
1. Share capital and reserves	0	0	0
2. Profit (loss) for the period	0	0	0
TOTAL MINORITY INTERESTS	0	0	0
TOTAL	488,745	462,863	432,642
B) SUBORDINATED LIABILITIES	0	0	0
C) TECHNICAL RESERVES			
I - NON-LIFE			
1. Premiums reserve	0	0	0
2. Claims reserve	0	0	0
3. Equalization provision	0	0	0
4. Others	0	0	0
TOTAL NON-LIFE	0	0	0
II - LIFE			
1. Actuarial reserve	2,201,057	2,303,912	2,788,536
2. Reserve for amounts to be paid	25,302	40,652	19,734
3. Others	53,122	51,532	48,244
TOTALE LIFE	2,279,482	2,396,096	2,856,514
TOTAL TECHNICAL RESERVES	2,279,482	2,396,096	2,856,514
D) TECHNICAL RESERVES WHEN THE RISK IS CARRIED BY POLICYHOLDERS AND FROM PENSION FUND MANAGEMENT	3,815,946	3,669,596	2,766,885
E) PROVISION FOR RISKS AND CHARGES	26,960	21,818	27,885
F) DEPOSITS RECEIVED FROM REINSURERS	191,561	198,010	223,436
G) ACCOUNTS PAYABLE AND OTHER LIABILITIES			
I - Payables from direct insurance operations	1,828	3,691	2,186
II - Payables from reinsurance operations	335	5,764	36,364
III - Debenture loans	0	0	0
IV - Payables to credit institutions	169,409	172,939	0
V - Other loans and debts	0	0	0
VI - Employee termination indemnity	3,957	4,004	3,364
VII - Other liabilities	54,538	46,588	26,761
TOTAL	230,066	232,986	68,675
H) ACCRUALS AND DEFERRED INCOME	2,622	670	586
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	7,035,382	6,982,039	6,376,623

<i>thousands of Euro</i>	31.03.2001	31.03.2000	31.12.2000
1. EARNED PREMIUMS, NET OF REINSURANCE	362,023	278,904	1,516,082
2. ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT	29,267	33,227	105,511
3. UNREALISED GAIN ON INVESTMENTS ALLOCATED TO LIFE POLICYHOLDERS CARRYING THE RELEVANT RISK AND FROM PENSION FUND MANAGEMENT	39,798	149,265	266,291
4. OTHER TECHNICAL INCOME, NET OF REINSURANCE	9,056	484	9,546
5. CLAIMS INCURRED, NET OF REINSURANCE	(127,735)	(97,523)	(587,140)
6. CHANGE IN ACTUARIAL RESERVES AND OTHER TECHNICAL RESERVES, NET OF REINSURANCE			
a) Actuarial reserves, premium reserve of ancillary insurance and other technical reserves	94,807	125,844	581,364
b) Life insurance reserves when the risk is carried by policyholders and from pension fund management	(146,350)	(432,606)	(1,335,317)
TOTAL	(51,543)	(306,762)	(753,953)
7. REFUNDS AND PROFIT SHARING, NET OF REINSURANCE	0	0	0
8. OPERATING EXPENSES			
a) Acquisition costs net of commissions and reinsurers' profit sharing	(42,992)	(20,736)	(155,854)
b) Administrative expenses	(3,666)	(3,145)	(13,183)
TOTALE	(46,658)	(23,881)	(169,037)
9. UNREALISED LOSS ON INVESTMENTS ALLOCATED TO POLICYHOLDERS CARRYING THE RELEVANT RISK AND FROM PENSION FUND MANAGEMENT	(193,362)	(17,997)	(333,601)
10. OTHER TECHNICAL CHARGES, NET OF REINSURANCE	(1,258)	(37)	(1,066)
11. TOTAL TECHNICAL ACCOUNT OF LIFE BUSINESS	19,587	15,680	52,633

INCOME STATEMENT

TECHNICAL ACCOUNT OF LIFE BUSINESS

**NON-TECHNICAL
ACCOUNT**

	<i>thousands of Euro</i>	31.03.2001	31.03.2000	31.12.2000
1. TOTAL TECHNICAL ACCOUNT OF NON-LIFE BUSINESS		0	0	0
2. TOTAL TECHNICAL ACCOUNT OF LIFE BUSINESS		19,587	15,680	52,633
3. INVESTMENT INCOME				
a) Investment income		53,602	68,369	238,453
b) Adjustment to the value of financial investments		1	817	949
c) Gain on the realisation of investments		1,078	2,880	7,094
TOTAL		54,680	72,066	246,496
4. FINANCIAL PAYABLES AND LOSSES ON ASSETS				
a) Investment management expenses and interest on bank loans		(2,841)	(5,185)	(14,412)
b) Adjustments to the value of investments		(291)	(4,137)	(13,915)
c) Loss on the realisation of investments		(174)	(359)	(1,975)
TOTAL		(3,306)	(9,681)	(30,303)
5. (-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE TECHNICAL ACCOUNT OF LIFE BUSINESS		(29,267)	(33,227)	(105,511)
6. OTHER REVENUES		1,920	2,464	8,457
7. OTHER CHARGES		(14,785)	(9,470)	(51,791)
8. TOTAL ORDINARY OPERATIONS		28,830	37,832	119,981
9. EXTRAORDINARY INCOME		2,441	3,685	11,877
10. EXTRAORDINARY CHARGES		(209)	(203)	(1,889)
11. TOTAL EXTRAORDINARY OPERATIONS		2,233	3,482	9,989
12. PROFIT BEFORE TAXES		31,062	41,314	129,969
13. INCOME TAXES FOR THE PERIOD		(5,180)	(6,741)	(14,527)
14. CONSOLIDATED RESULTS		25,882	34,573	115,443
15. PROFIT FOR THE PERIOD RELATING TO MINORITY INTERESTS		0	0	0
16. GROUP PROFIT FOR THE PERIOD		25,882	34,573	115,443

MEDIOLANUM GROUP

*DIRECTORS' REPORT
ON OPERATIONS
AS AT MARCH 31,
2001*



The Mediolanum Group in the 1st quarter 2001

PERFORMANCE OF THE GROUP

In the first quarter 2001, the Group confirmed its ability to achieve good results in spite of the critical aspects characterising the main financial markets.

Net profit for the period for the Group amounted to 50,115 million Lira (31.03.00: 66,943 million Lira), after operating income taxes of 19,834 million Lira (31.03.00 27,576 million Lira) (see attached financial statements consolidated on a line-by-line basis).

The contrary trends in the international financial markets, from an unprecedented peak registered in the first quarter of 2000, to a crisis lasting through the first quarter of 2001, influenced the comparison of first quarter results of 2001 with those of the prior year. As a consequence, performance commissions were lower than those recorded in the first quarter of the previous year.

Within this market situation, the Group once again demonstrated its ability to react and grow.

During the quarter new products were launched - in particular, a new version of a managed account product which was well-received by the customers.

These new products, apart from better satisfying the customers' requirements, guarantee a higher return over time, whose effects hadn't yet emerged during the quarter under review.

Revenues, in the form of insurance premiums and management commissions, totalled 858 billion Lira, thus an 18.5% increase over the first quarter 2000 (31.03.00: 726 billion Lira).

Total assets under administration at March 31, 2001, amounted to 35,673 billion Lira, a 29.8% increase over the same period of the previous year, (31.03.00: 27,489 billion Lira), and a 3.2% increase over December 31, 2000.

PERFORMANCE OF THE SECTORS IN WHICH THE GROUP OPERATES

Fibanc was consolidated as of July 2000 and its activity addresses a customer base in a market geographically different from that of Mediolanum. Therefore, in order to make a comparison with the prior year's results easier, and to better understand the managerial aspects, the performance of the Mediolanum Group excluding Fibanc is illustrated herein. The trends and results of the Fibanc Group are considered in a separate section.

The results achieved in the 1st quarter 2001 by the Mediolanum Group are viewed positively considering the ongoing crises faced by international financial markets and the negative net balance of overall sales for the asset management sector in Italy.

The performance of Banca Mediolanum S.p.A. was very good; at March 31, 2001, current accounts came to 242,922 (31.03.00: 160,654). Assets under administration at the same date totalled 7,363 billion Lira (31.03.00: 4,520 billion Lira).

THE BANKING ACTIVITY

Profits of companies operating in the banking field in which investments are held, evaluated on an equity basis

<i>millions of Lira</i>	31.03.01	31.03.00	31.12.00
Banca Mediolanum S.p.A.	58	385	11,179

Advertising campaign expenses of 9 billion Lira were entirely expensed during the year and were included in determining the operating results of Banca Mediolanum for the quarter under review. Though lower than the 16 billion Lira for the same period of the previous year, this expense was still significant.

Total gross inflows for the mutual funds and managed accounts business amounted to 1,521 billion Lira (31.12.00: 2,197 billion Lira), whereas net inflows were positive, contrary to the trend in the market, for 443 billion Lira (31.03.00: 464 billion Lira). Total assets under administration as at March 31, 2001 rose to 17,004 billion Lira (31.03.00: 15,732 billion Lira).

MUTUAL FUNDS
AND MANAGED ACCOUNTS

Profits of companies operating in the asset management field in which investments are held, evaluated on an equity basis:

<i>millions of Lira</i>	31.03.01	31.03.00	31.12.00
Mediolanum Gestione Fondi SGR. p.A	7,201	12,408	38,405
Mediolanum International Funds Ltd	33,802	38,343	139,660
Vicenza Funds Ltd.	78	-	220

The companies' results for the period were primarily influenced by the lower performance commission levels due to the aforementioned trends in the international financial markets.

LIFE BUSINESS The Life business confirmed its capacity for market penetration. Total inflows in the quarter totalled 707 billion Lira, thus a 29.3% increase over first quarter 2000 (547 billion Lira).

New business totalled 470 billion Lira, a 33.9% rise over the first quarter of the previous year (351 billion Lira).

Recurring premiums reached 86 billion Lira, a 104.8% increase over the first quarter of the previous year (42 billion Lira).

Profits of companies in which investments are held operating in the Life business field, evaluated on an equity basis:

<i>millions of Lira</i>	31.03.01	31.03.00	31.12.00
Vicenza Life Ltd.	795	0	2,845

OTHER PRODUCTS During the first quarter, the Group increased its presence in the sector of pension funds management and closed-end mutual funds intended for institutional investors through the companies Mediolanum State Street SGR.p.A., Mediolanum Gestione Fondi SGR.p.A. and Mediolanum Vita S.p.A. As at March 31, 2001, assets under management totalled 789 billion Lira (31.03.00: 526 billion Lira).

Profits for the year of companies operating in the banking and securities sector in which investments are held, valued on an equity basis:

<i>millions of Lira</i>	31.03.01	31.03.00	31.12.00
Mediolanum State Street SGR.p.A.	320	(66)	120
Mediolanum Asset Management Ltd.	(12)	0	(99)
Mediolanum Comunicazione S.r.l.	64	(941)	(82)
Mediolanum Fiduciaria S.p.A.	(5)	6	(41)
PI Distribuzione S.r.l.	(146)	(102)	(499)

The loss relating to Mediolanum Asset Management was mainly due to the start-up costs of the company, which is not yet fully operational.

It should be noted that Mediolanum Fiduciaria S.p.A. is now inactive and its future utilisation is being evaluated.

The loss relating to PI Distribuzione S.r.l is attributable to the stagnation of the hotel and tourist resort market, and the resulting drop in transactions.

Volume is broken down by main business lines:

VOLUME

Inflows of Managed Savings Products (*)

<i>billions of Lira</i>	31.03.01	31.03.00	Change %
Life insurance products			
<i>New business</i>			
- Recurring premiums	86	42	104.80
- Single premiums and group policies	384	309	24.27
TOTAL NEW BUSINESS	470	351	33.90
<i>Business in force</i>			
- Deferred annuities	222	176	26.10
- Recurring single premiums	15	20	(25.00)
TOTAL NEW BUSINESS	237	196	20.90
TOTAL PREMIUMS WRITTEN	707	547	29.30
(less) Premiums ceded	(6)	(7)	(14.30)
TOTAL LIFE PREMIUMS	701	540	29.80
Financial products			
<i>Mutual funds and managed accounts</i>			
- Gross consolidated inflows	1,521	2,197	(30.80)
- Net consolidated inflows	443	464	(4.50)

(*) The data above do not include the Fibanc Group.

Consolidated assets under administration

<i>billions of Lira</i>	31.03.01	31.03.00	Change %
- Life reserves	12,009	10,917	10.0
- Mutual funds and managed accounts	17,004	15,732	8.1
- Direct and indirect bank inflows	7,363	4,520	62.9
- Pension funds	789	526	50.0
- Consolidation adjustments	(5,558)	(4,206)	0
MEDIOLANUM TOTAL	31,607	27,489	15.0
- Fibanc assets under administration	4,066	0	0
CONSOLIDATED TOTAL	35,673	27,489	29.8

The sales network

THE SALES NETWORK

<i>No.</i>	31.03.01	31.03.00	31.12.00
Licensed global advisors (Banca Mediolanum S.p.A.)	3,163	2,752	3,018
Part-time insurance agents (Banca Mediolanum S.p.A.)	2,225	1,419	2,163
Partner Time network	1,597	769	1,198
TOTAL	6,985	4,940	6,379

THE FIBANC GROUP

Employees

The number of employees of the Mediolanum Group developed as follows:

No.	31.03.01	31.03.00	31.12.00
Clerical personnel	873	557	879
Supervisory personnel	93	87	95
Managers	66	48	60
TOTAL	1,032	692	1,034

Spain also felt the pinch of the negative trend in the international stock exchange markets, which adversely affected the revenues of all the brokerage companies operating in the Spanish market.

Also the Fibanc Group, whose results currently depend on stock brokerage activity, recorded a drop in the volume of transactions, with a subsequent drop in profits.

Volume of the Fibanc Group

millions of Lira	31.03.01	31.12.00
- Assets under administration	4,066	4,092
- Net inflows	49	358

Employees

No.	31.03.01	31.12.00
Clerical personnel	317	314
Managers	16	19
TOTAL	333	333

Net profit of the Fibanc Group

millions of Lira	31.03.01	31.12.00
FIBANC GROUP	1,142	4,808*

(*) Profit for the period 21.07.00-31.12.00

Mediolanum Channel, after its inauguration on January 10th, 2001, continued its phase of experimental programming. The satellite channel, broadcasting in Central and Southern Europe, will feature multi-theme programming once it is fully operational.

The idea was to reach a macrocosm of viewers consisting mainly of Mediolanum Group customers whose interest would not only be in supplementary pensions and asset management-related issues, but also in other areas such as travel, leisure time, well-being and so on. Time will also be devoted to vocational training, targeting young people who may be interested in taking up a career as a financial consultant.

In February 2001, a further share capital increase was subscribed and paid in of 75 billion Lira in order to provide the subsidiary Banca Mediolanum S.p.A. with the assets necessary to support the development of its activity.

A further investment of 29.7 billion Lira was made to the company DueMme S.p.A. for a share capital increase.

Also in February 2001, a new version of Chorus was launched, which is a managed account in funds, enhancing the existing lines with additional risk profiles.

Also the Irish funds Challenge and Top Managers were enhanced with new compartments.

In the insurance area, Tax Benefit was launched, which is a new version of the existing product Europension, and which satisfies the requirements set by the new fiscal regulation that allows for the tax deductibility of contributions made into Individual Pension Plans.

In March 2001, the interest in Fibanc Inversiones S.A. was increased to 69.92% through the acquisition of minor shareholdings, entailing costs for a further 12.5 billion Lira.

Banca Mediolanum executed a fully subscribed share capital increase of Banco de Finanzas e Inversiones S.A. for a total amount of 2,000 million Pesetas (equal to approximately 23.2 billion Lira) in order to increase the TIER 1 and TIER 2 capital of the company. The operation should be completed by the end of June 2001.

On April 12, at the extraordinary meeting of Mediolanum S.p.A., the shareholders voted to convert the share capital of Lira into Euro, from 144,994,100,000 Lira to 72,497,050 Euro corresponding to 724,970,500 shares with a par value of Euro 0.1, and to allocate 4,620,236,997 Lira to the legal reserve coming from the reduction in share capital following the rounding down of the unit value of individual shares.

On May 7, a 10% interest was acquired in the company Tredicimarzo S.r.l. for 27.1 billion Lira, with the intention of keeping the Group's weight within the voting block of Mediobanca S.p.A. unchanged.

In the light of the positive results of the first quarter 2001, it is expected that the results for the year will be positive.

For the Board of Directors
The Chairman
Prof. Roberto Ruozi

The Mediolanum Group, following the enforcement of Legislative Decree no.173/97, and specifically article 58, point 2, has the obligation of drawing up the consolidated financial statements according to the accounting method for insurance companies. Since it was not possible to consolidate the companies belonging to the Mediolanum Group on a line-by-line basis due to the presence of companies whose activity is not one of those carried out by insurance companies within the framework of their institutional tasks (Banca Mediolanum S.p.A., Mediolanum Gestioni Fondi SGR.p.A., Mediolanum International Funds Ltd, Fibanc Inversiones S.A. and its subsidiaries), the consolidated financial statements contain insurance information, which calls for consolidating the above companies operating in the banking and financial fields on an equity basis. Since we felt it was fundamental to provide the reader an overall profile of the Group, we have also provided an appendix that is consolidated on a line-by-line basis: this allows a comparison of the most significant Income Statement items, reclassified using management criteria. The goal was to provide a clear, easily read document for a better comprehension of the Mediolanum Group; it is not intended to provide information about the changes between the accounting balances.

RECLASSIFIED INCOME STATEMENT IN LIRA

<i>millions of Lira</i>	31.03.2001 (*)	31.03.2001 (**)	31.03.2000	31.12.2000 (*)	31.12.2000 (**)
Premiums for insurance activities					
- Gross premiums written	704,447	704,447	547,060	2,967,543	2,967,543
- Reinsurance ceded	(5,559)	(5,559)	(7,027)	(31,833)	(31,833)
Commission income from financial activities and other income					
- Underwriting commissions	26,858	26,858	60,006	182,970	182,970
- Management commissions	81,086	74,263	91,424	337,226	329,411
- Services margin	26,286	18,402	20,789	96,701	73,166
- Interest spread	22,760	17,404	10,809	50,013	40,384
- Other commissions	1,829	1,829	2,225	21,811	10,398
- Other revenues	299	299	385	6,853	6,524
TOTAL REVENUES	858,006	837,943	725,671	3,631,284	3,578,563
Changes in Life insurance reserves and services to policyholders, net of reinsurance	(587,534)	(587,534)	(475,206)	(2,522,771)	(2,522,771)
Acquisition costs net of reinsurance	(112,984)	(104,631)	(104,630)	(463,100)	(450,338)
Running costs	(93,061)	(84,189)	(68,196)	(330,600)	(302,081)
Amortisation, depreciation and provision	(23,322)	(15,757)	(11,859)	(73,676)	(59,675)
Net investment and assets income	29,191	27,774	33,294	87,598	85,856
Adjustments to the value of financial investments	(3)	(3)	(6,429)	(22,244)	(22,337)
OPERATING RESULT	70,293	73,603	92,645	306,491	307,217
Non-recurring extraordinary income and charges	0	0	1,874	1,418	1,346
PROFIT BEFORE TAXES	70,293	73,603	94,519	307,909	308,563
Taxes for the year	(19,834)	(19,274)	(27,576)	(82,803)	(80,245)
Income attributable to minority shareholders	344	0	0	1,578	0
PROFIT FOR THE YEAR PERTAINING TO THE GROUP	50,115	54,329	66,943	223,528	228,318

RECLASSIFIED INCOME STATEMENT IN EURO

<i>thousands of Euro</i>	31.03.2001 (*)	31.03.2001 (**)	31.03.2000	31.12.2000 (*)	31.12.2000 (**)
Premiums for insurance activities					
- Gross premiums written	363,817	363,817	282,533	1,532,608	1,532,608
- Reinsurance ceded	(2,871)	(2,871)	(3,629)	(16,440)	(16,440)
Commission income from financial activities and other income					
- Underwriting commissions	13,871	13,871	30,991	94,496	94,496
- Management commissions	41,877	38,354	47,217	174,163	170,127
- Services margin	13,576	9,504	10,737	49,942	37,787
- Interest spread	11,755	8,988	5,582	25,830	20,857
- Other commissions	945	945	1,149	11,264	5,370
- Other revenues	154	154	199	3,539	3,369
TOTAL REVENUES	443,123	432,761	374,778	1,875,402	1,848,174
Changes in Life insurance reserves and services to policyholders, net of reinsurance	(303,436)	(303,436)	(245,423)	(1,302,902)	(1,302,902)
Acquisition costs net of reinsurance	(58,351)	(54,037)	(54,037)	(239,171)	(232,580)
Running costs	(48,062)	(43,480)	(35,220)	(170,741)	(156,012)
Amortisation, depreciation and provision	(12,045)	(8,138)	(6,125)	(38,050)	(30,820)
Net investment and assets income	15,076	14,344	17,195	45,241	44,341
Adjustments to the value of financial investments	(2)	(2)	(3,320)	(11,488)	(11,536)
OPERATING RESULT	36,303	38,013	47,847	158,289	158,664
Non-recurring extraordinary income and charges	0	0	968	732	695
PROFIT BEFORE TAXES	36,303	38,013	48,815	159,022	159,359
Taxes for the year	(10,243)	(9,954)	(14,242)	(42,764)	(41,443)
Income attributable to minority shareholders	178	0	0	815	0
PROFIT FOR THE YEAR PERTAINING TO THE GROUP	25,882	28,059	34,573	115,443	117,916

(*) Consolidated Mediolanum Group and Fibanc Group

(**) Consolidated of only Mediolanum Group for the purposes of comparison with the previous year

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