

MEDIOLANUM S.P.A.

*QUARTERLY REPORT
AS AT MARCH, 31
2003*



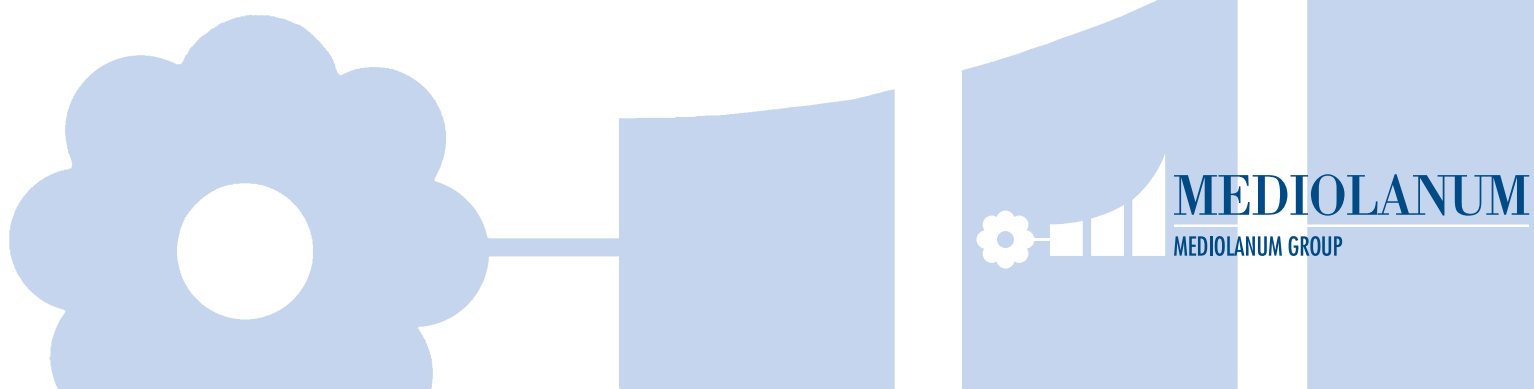
MEDIOLANUM
MEDIOLANUM GROUP

Summary

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MEDIOLANUM S.P.A.

*QUARTERLY REPORT
AS AT MARCH, 31
2003*



Mediolanum S.p.A.

Officers of the company

BOARD OF DIRECTORS

| | |
|--------------------------|------------------------------------|
| Roberto Ruozì | Chairman of the Board of Directors |
| Alfredo Messina | Deputy Chairman |
| Edoardo Lombardi | Executive Vice President |
| Ennio Doris | Chief Executive Officer |
| Marina Elvira Berlusconi | Director |
| Massimo Antonio Doris | Director |
| Cannatelli Pasquale | Director |
| Mario Molteni | Director |
| Angelo Renoldi | Director |
| Paolo Sciumè | Director |
| Claudio Sposito | Director |
| Antonio Zunino | Director |

BOARD OF STATUTORY AUDITORS

| | |
|-----------------------------|---|
| Arnaldo Mauri | Chairman of the Board of Statutory Auditors |
| Achille Frattini | Statutory Auditor |
| Francesco Antonio Giampaolo | Statutory Auditor |
| Ferdinando Gatti | Alternate Statutory Auditor |
| Francesco Vittadini | Alternate Statutory Auditor |

SECRETARY TO THE BOARD

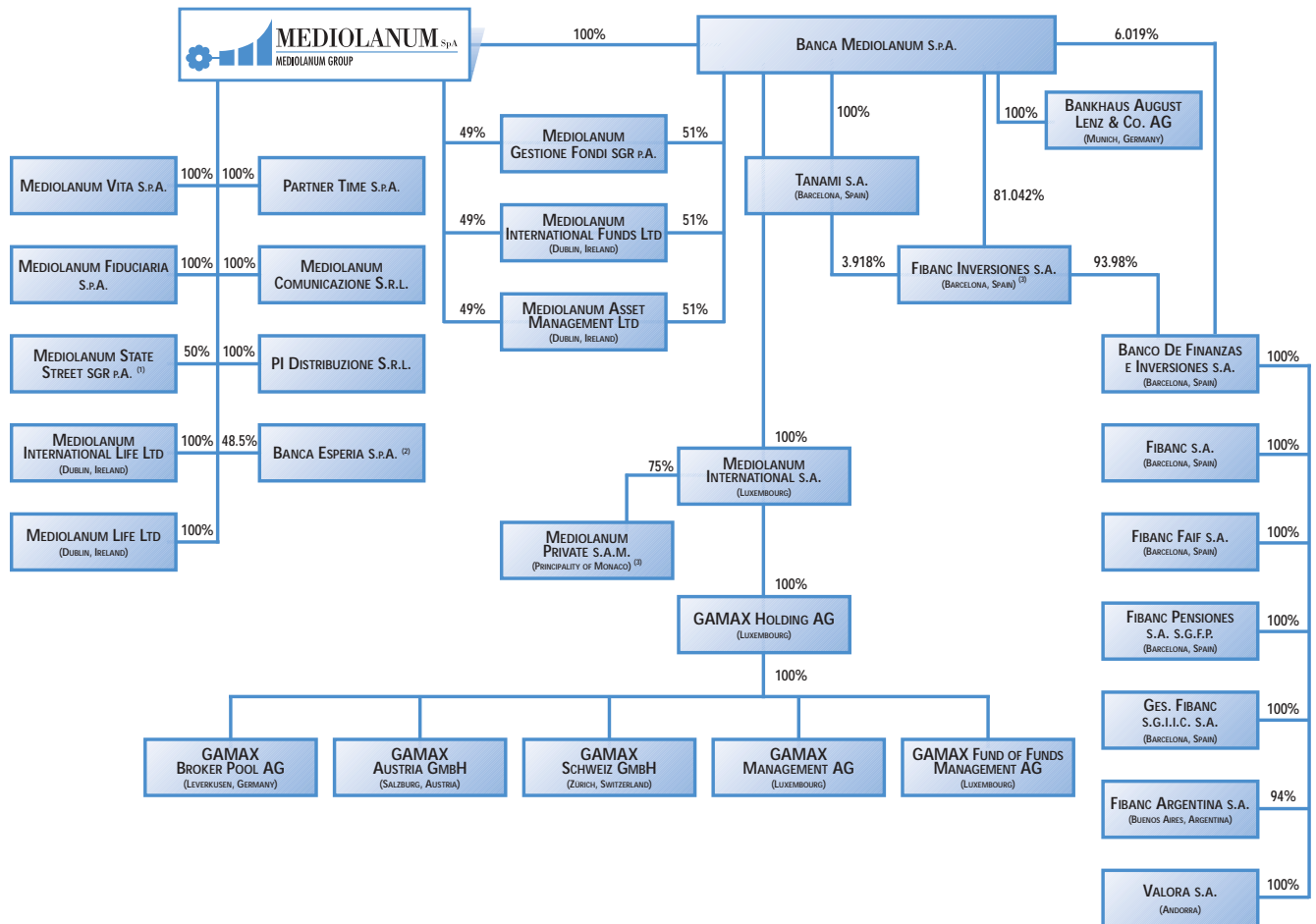
Luca Maria Rovere

INDEPENDENT AUDITORS

Reconta Ernst & Young S.p.A.

Corporate structure

AS AT MARCH, 31 2003



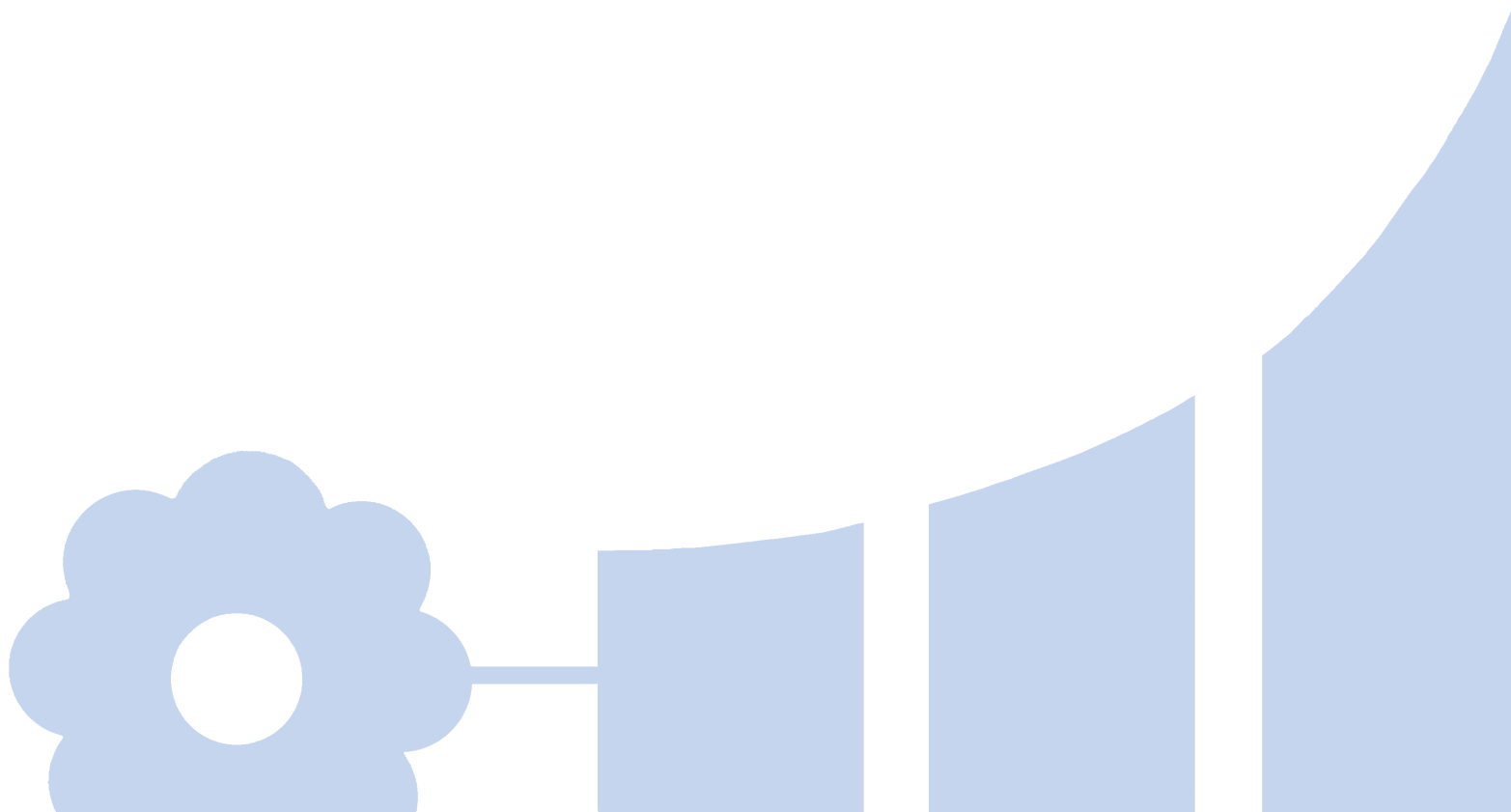
(1) As of March 22, 1999 the remaining 50% of the capital is held by State Street Bank Europe Ltd

(2) The remaining capital is held by third parties

(3) The remaining 25% of the capital is held by Compagnie Monégasque de Banque

MEDIOLANUM GROUP

*COSOLIDATED
FINANCIAL STATEMENTS
AS AT MARCH, 31
2003*



Balance sheet

ASSETS

| <i>Euro in thousands</i> | 31.03.2003 | 31.12.2002 | 31.03.2002 |
|--|------------------|------------------|------------------|
| A) Due from shareholders for share capital still to be paid in | 0 | 0 | 0 |
| B) Intangible assets | | | |
| 1. Unamortised acquisition commissions | 0 | 0 | 0 |
| 2. Other intangible assets | 13,391 | 15,305 | 20,981 |
| 3. Consolidation difference | 139 | 143 | 155 |
| TOTAL INTANGIBLE ASSETS | 13,530 | 15,448 | 21,136 |
| C) Investments | | | |
| I - Land and buildings | 71,364 | 71,588 | 77,198 |
| II - Investments in Group companies and other shareholdings | | | |
| 1. Shares and quotas | 605,286 | 646,623 | 574,924 |
| 2. Bonds | 0 | 0 | 0 |
| 3. Financial loans | 1,291 | 1,291 | 383,190 |
| TOTAL INVESTMENT IN GROUP COMPANIES AND OTHER COMPANIES | 606,577 | 647,914 | 958,114 |
| III - Other financial investments | | | |
| 1. Shares and quotas | 2,538 | 2,790 | 4,073 |
| 2. Mutual fund shares | 42,585 | 60,035 | 193,358 |
| 3. Bonds and other fixed income securities | 1,111,419 | 1,063,319 | 1,137,370 |
| 4. Financial loans | 16,086 | 16,268 | 16,449 |
| 5. Other financial investments | 8,494 | 7,003 | 135,738 |
| TOTAL OTHER FINANCIAL INVESTMENTS | 1,181,122 | 1,149,415 | 1,486,988 |
| IV - Funds held by ceding companies | 0 | 0 | 0 |
| TOTAL INVESTMENTS | 1,859,063 | 1,868,917 | 2,522,300 |
| D) Investments on behalf of Life policyholders, carrying the risk and from pension fund management | 5,418,989 | 5,353,526 | 5,118,521 |
| D bis) Reinsurers' share of technical reserves | | | |
| I - Non-Life | 0 | 0 | 0 |
| II - Life | 124,665 | 132,953 | 180,116 |
| <i>(excluding technical reserve as per point III)</i> | | | |
| III - Technical reserves when the risk is carried by policyholders and reserves from pension fund management | 0 | 0 | 0 |
| TOTAL REINSURERS' SHARE OF TECHNICAL RESERVES | 124,665 | 132,953 | 180,116 |
| E) Receivables | | | |
| I - Due from direct insurance operations | 27,820 | 16,537 | 43,601 |
| II - Due from reinsurance operations | 1,625 | 0 | 4,870 |
| III - Other receivables | 83,465 | 81,174 | 54,947 |
| TOTAL RECEIVABLES | 112,910 | 97,711 | 103,418 |
| F) Other assets | | | |
| I - Tangible assets | 2,987 | 3,237 | 3,668 |
| II - Liquid assets | 267,662 | 368,855 | 141,025 |
| III - Own shares or quotas | 1,432 | 2,014 | 2,008 |
| IV - Other assets | 496 | 1,359 | 17 |
| TOTAL OTHER ASSETS | 272,577 | 375,465 | 146,718 |
| G) Pre-payments and accrued income | 15,153 | 14,619 | 22,647 |
| TOTAL ASSETS | 7,816,887 | 7,858,639 | 8,114,856 |

Euro in thousands

31.03.2003

31.12.2002

31.03.2002

SHAREHOLDERS' EQUITY AND LIABILITIES

A) Capital and reserves

I - Pertaining to the Group

| | | | |
|---|---------|---------|---------|
| 1. Subscribed capital or equivalent | 72,537 | 72,537 | 72,502 |
| 2. Net equity reserves | 210,936 | 131,131 | 201,956 |
| 3. Consolidation reserve | 123,068 | 118,388 | 118,549 |
| 4. Reserve for difference in valuation regarding shares in non-consolidated companies | 97,356 | 99,210 | 100,651 |
| 5. Reserve for exchange rate difference | 77 | 77 | 77 |
| 6. Reserves for own shares and shares of the parent company | 1,432 | 2,014 | 2,008 |
| 7. Profit (loss) for the period | 18,144 | 82,049 | 20,072 |

| | | | |
|----------------------------------|---------|---------|---------|
| TOTAL GROUP SHAREHOLDERS' EQUITY | 523,550 | 505,406 | 515,815 |
|----------------------------------|---------|---------|---------|

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 CAPITAL AND RESERVES | 523,550 | 505,406 | 515,815 |
|----------------------------|---------|---------|---------|

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. Equalisation provision | 0 | 0 | 0 |
| 4. Other | 0 | 0 | 0 |

| | | | |
|----------------|---|---|---|
| TOTAL NON-LIFE | 0 | 0 | 0 |
|----------------|---|---|---|

II - LIFE

| | | | |
|-----------------------------------|-----------|-----------|-----------|
| 1. Mathematical reserves | 1,300,364 | 1,359,415 | 1,807,957 |
| 2. Reserve for amounts to be paid | 38,564 | 52,800 | 26,960 |
| 3. Other | 52,571 | 54,932 | 50,518 |

| | | | |
|------------|-----------|-----------|-----------|
| TOTAL LIFE | 1,391,499 | 1,467,147 | 1,885,435 |
|------------|-----------|-----------|-----------|

| | | | |
|--------------------------|-----------|-----------|-----------|
| TOTAL TECHNICAL RESERVES | 1,391,499 | 1,467,147 | 1,885,435 |
|--------------------------|-----------|-----------|-----------|

D) Technical reserves when the risk is carried by policyholders and reserves from pension fund management

| | | | |
|--|-----------|-----------|-----------|
| | 5,418,716 | 5,353,223 | 5,118,204 |
|--|-----------|-----------|-----------|

| | | | |
|-------------------------------------|--------|--------|--------|
| E) Provisions for risks and charges | 23,358 | 19,049 | 32,390 |
|-------------------------------------|--------|--------|--------|

| | | | |
|--------------------------------------|---------|---------|---------|
| F) Deposits received from reinsurers | 120,760 | 126,814 | 175,959 |
|--------------------------------------|---------|---------|---------|

G) Payables and other liabilities

| | | | |
|--|---------|---------|---------|
| I - Due to direct insurance operations | 3,504 | 4,424 | 3,520 |
| II - Due to reinsurance operations | 419 | 6,695 | 4,508 |
| III - Debenture loans | 0 | 0 | 0 |
| IV - Amounts owed to credit institutions | 260,000 | 300,000 | 285,385 |
| V - Other loans and other financial debt | 1,184 | 0 | 0 |
| VI - Employee termination indemnity | 4,116 | 4,567 | 4,319 |
| VII - Other liabilities | 68,846 | 69,107 | 87,138 |

| | | | |
|--------------------------------------|---------|---------|---------|
| TOTAL PAYABLES AND OTHER LIABILITIES | 338,069 | 384,793 | 384,870 |
|--------------------------------------|---------|---------|---------|

| | | | |
|---------------------------------|-----|-------|-------|
| H) Accruals and deferred income | 935 | 2,207 | 2,183 |
|---------------------------------|-----|-------|-------|

| | | | |
|--|-----------|-----------|-----------|
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 7,816,887 | 7,858,639 | 8,114,856 |
|--|-----------|-----------|-----------|

Income statement

TECHNICAL ACCOUNT OF LIFE BUSINESS

| <i>Euro in thousands</i> | 31.03.2003 | 31.03.2002 | 31.12.2002 |
|---|------------|------------|-------------|
| 1. Earned premiums, net of reinsurance | 404,375 | 568,847 | 2,135,513 |
| 2. (+) allocated investment return transferred from the non-technical account | 10,558 | 18,828 | 56,579 |
| 3. Unrealised gains on investments on behalf of Life policyholders carrying the risk and from pension fund management | 124,098 | 94,645 | 360,859 |
| 4. Other technical income, net of reinsurance | 4,350 | 4,240 | 15,525 |
| 5. Claims incurred, net of amounts recovered and reinsurance | (158,939) | (226,523) | (942,579) |
| 6. Change in mathematical reserves and other technical reserves, net of reinsurance | | | |
| a) Mathematical reserves, premium reserves of complementary insurance and other technical reserves | (12,516) | 151,315 | 542,877 |
| b) Life insurance reserves when the risk is carried by policyholders and from pension fund management | 1,902 | (506,838) | (742,235) |
| TOTAL CHANGE IN NET RESERVES | (10,614) | (355,523) | (199,358) |
| 7. Refunds and profit sharing, net of reinsurance | 0 | 0 | 0 |
| 8. Operating expenses | | | |
| a) Acquisition costs net of reinsurers' commissions and profit sharing | (33,315) | (40,752) | (163,339) |
| b) Administrative expenses | (4,076) | (3,382) | (13,403) |
| TOTAL | (37,391) | (44,134) | (176,742) |
| 9. Unrealised loss on investments on behalf of Life policyholders carrying the risk and from pension fund management | (321,245) | (39,272) | (1,194,367) |
| 10. Other technical charges, net of reinsurance | (1,455) | (5,367) | (10,548) |
| 11. Total technical account of Life business | 13,737 | 15,741 | 44,882 |

Euro in thousands

| | 31.03.2003 | 31.03.2002 | 31.12.2002 |
|---|-----------------|-----------------|-----------------|
| 1. Total technical account of non-Life business | 0 | 0 | 0 |
| 2. Total technical account of Life business | 13,737 | 15,741 | 44,882 |
| 3. Investment income | | | |
| a) Investment income | 31,791 | 40,769 | 174,097 |
| b) Adjustments to the value of financial investments | 1,032 | 3,049 | 2,707 |
| c) Gains on the realisation of investments | 6,005 | 291 | 5,943 |
| TOTAL INVESTMENT INCOME | 38,828 | 44,109 | 182,747 |
| 4. Financial burden and losses on assets | | | |
| a) Investment management expense and interest on bank loans | (1,683) | (4,083) | (9,214) |
| b) Adjustments to the value of investments | (8,988) | (467) | (21,012) |
| c) Losses on the realisation of investments | (6,126) | (2,193) | (5,769) |
| TOTAL FINANCIAL BURDEN AND LOSSES ON ASSETS | (16,797) | (6,743) | (35,995) |
| 5. (-) allocated investment return transferred to the technical account of Life business | (10,558) | (18,828) | (56,579) |
| 6. Other revenues | 7,557 | 2,779 | 11,535 |
| 7. Other charges | (14,006) | (13,921) | (64,482) |
| 8. Total ordinary operations | 18,761 | 23,137 | 82,108 |
| 9. Extraordinary income | 7,038 | 296 | 12,611 |
| 10. Extraordinary charges | (3,122) | (1,357) | (4,792) |
| 11. Total extraordinary operations | 3,916 | (1,061) | 7,819 |
| 12. Profit before taxes | 22,677 | 22,076 | 89,927 |
| 13. Income tax for the period | (4,533) | (2,004) | (7,878) |
| 14. Consolidated results | 18,144 | 20,072 | 82,049 |
| 15. Profit (loss) for the year from minority interests | 0 | 0 | 0 |
| 16. Group profit (loss) for the period | 18,144 | 20,072 | 82,049 |

NON-TECHNICAL ACCOUNT

Notes to the consolidated financial statements at March 31, 2003

The consolidated financial statements as at March 31, 2003 are presented in accordance with Consob decision 11971 of May 14, 1999, and pursuant to Italian Law 173/97.

The consolidation principles and criteria used for the controlled companies included in the consolidation are consistent with those used in the preparation of the consolidated financial statements as at December 31, 2002. The consolidation area of the Mediolanum Group was unchanged as compared with December 31, 2002.

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

| <i>Euro in thousands</i> Company | Share capital | % holding | Office | Activity |
|-------------------------------------|---------------|-----------|----------|--------------------------------|
| Mediolanum Vita S.p.A. | 87,720 | 100.00 | Basiglio | Life insurance |
| Partner Time S.p.A. | 520 | 100.00 | Basiglio | Distribution of Life insurance |
| Mediolanum International Life Ltd | 1,395 | 100.00 | Dublin | Life insurance |

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

| <i>Euro in thousands</i> Company | Share capital | % holding | Office | Activity |
|-------------------------------------|---------------|-----------|------------|---|
| Banca Mediolanum S.p.A. | 341,000 | 100.00 | Basiglio | Banking |
| Mediolanum State Street SGR p.A. | 2,600 | 50.00 | Basiglio | Stockbrokerage company |
| Mediolanum Comunicazione S.r.l. | 775 | 100.00 | Basiglio | Audio/Film/TV production |
| Mediolanum Fiduciaria S.p.A. | 510 | 100.00 | Basiglio | Trust company without discretionary power |
| PI Distribuzione S.r.l. | 517 | 100.00 | Basiglio | Real estate broker |
| Mediolanum Gestione Fondi SGR p.A. | 5,165 | 49.00 | Basiglio | Management of mutual funds |
| Mediolanum International Funds Ltd | 150 | 49.00 | Dublin | Management of mutual funds |
| Mediolanum Asset Management Ltd | 150 | 49.00 | Dublin | Asset management and consultancy |
| Mediolanum International S.A. | 71,500 | 0.28 | Luxembourg | Sub-holding company |

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

| <i>Euro in thousands</i> Company | Share capital | % holding | Office | Activity |
|--------------------------------------|------------------|--------------|------------------------|----------------------------------|
| Fibanc Inversiones S.A. | 6,852 | 84.96 | Barcelona | Investment company |
| Banco de Finanzas e Inversiones S.A. | 12,130 | 85.86 | Barcelona | Banking |
| Ges. Fibanc S.G.I.I.C. S.A. | 2,506 | 85.86 | Barcelona | Management of mutual funds |
| Fibanc S.A. | 301 | 85.86 | Barcelona | Financial consulting company |
| Fibanc Pensiones S.G.F.P. S.A. | 902 | 85.86 | Barcelona | Management of pension funds |
| Fibanc FAIF S.A. | 60 | 85.86 | Barcelona | Financial consulting company |
| Fibanc Argentina S.A. | ARS 50,000 | 80.70 | Buenos Aires | Business representatives |
| Valora S.A. | 421 | 85.86 | Andorra | Asset management |
| Bankhaus August Lenz & Co. AG | 8,000 | 100.00 | Munich | Banking |
| Tanami S.A. | 181 | 100.00 | Barcelona | Real estate broker |
| Mediolanum Gestione Fondi SGR p.A. | 5,165 | 51.00 | Basiglio | Management of mutual funds |
| Mediolanum Asset Management Ltd | 150 | 51.00 | Dublin | Asset management and consultancy |
| Mediolanum International Funds Ltd | 150 | 51.00 | Dublin | Management of mutual funds |
| Mediolanum International S.A. | 71,500 | 99.72 | Luxembourg | Sub-holding company |
| Gamax Holding AG | 5,618 | 100.00 | Luxembourg | Sub-holding company |
| Gamax Management AG | 125 | 100.00 | Luxembourg | Management of mutual funds |
| Gamax Fund of Funds Management AG | 125 | 100.00 | Luxembourg | Management of mutual funds |
| Gamax Broker Pool AG | 500 | 100.00 | Leverkusen | Fund sales network |
| Gamax Austria GmbH | 40 | 100.00 | Salzburg | Fund sales network |
| Gamax Schweiz GmbH | CHF 20,000 | 100.00 | Zürich | Fund sales network |
| Mediolanum Private S.A.M. | 500 | 75.00 | Principality of Monaco | Asset management |

List of companies directly controlled that are valued at cost as they are not yet fully operational:

| <i>Euro</i> Company | Share capital | % holding | Office | Activity |
|------------------------|------------------|--------------|--------|----------------|
| Mediolanum Life Ltd | 5 | 100 | Dublin | Life insurance |

List of Mediolanum S.p.A. associate companies that are valued using the equity method:

| <i>Euro in thousands</i> Company | Share capital | % holding | Office | Activity |
|-------------------------------------|------------------|--------------|--------|----------|
| Banca Esperia S.p.A. | 13,000 | 48.5 | Milan | Banking |

The valuation criteria applied in the assessment of the consolidated financial statement items comply with the Italian law relating to financial statements (Article 16 of Italian Law 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 as at December 31, 2002.

Amounts are expressed in thousands of euro.

**CONSOLIDATED
BALANCE SHEET
INFORMATION**

ASSETS

**INTANGIBLE ASSETS
(ITEM B)**

Other intangible assets includes:

| <i>Euro in thousands</i> | 31.03.03 | 31.12.02 | 31.03.02 |
|--|---------------|---------------|---------------|
| Start-up and expansion costs | 6,707 | 8,689 | 14,661 |
| Concessions, licences, trademarks and similar rights | 6,263 | 6,311 | 5,611 |
| Improvements on leased goods | 203 | 224 | 339 |
| Intangible assets under formation and advances | 218 | 81 | 370 |
| TOTAL | 13,391 | 15,305 | 20,981 |

“Start-up and expansion costs” comprise the following:

| <i>Euro in thousands</i> | 31.03.03 | 31.12.02 | 31.03.02 |
|--|--------------|--------------|---------------|
| Sales network contests | 1,808 | 2,401 | 4,181 |
| Commissions to be returned to reinsurers | 4,752 | 6,130 | 10,266 |
| Other start-up and expansion costs | 147 | 158 | 214 |
| TOTAL | 6,707 | 8,689 | 14,661 |

Start-up costs are systematically amortised over a period of five years.

“Other start-up and expansion costs” relate to ancillary charges related to the acquisition of a controlling interest in the company Mediolanum International Life Ltd, and are systematically amortised over a period of five years.

“Concessions, licences, trademarks and similar rights” mainly consist of software used under licence.

Total movements in the above items are shown in detail in Attachment 1.

Item B3 *Consolidation difference* relates to the difference between the price paid by Mediolanum S.p.A. for the acquisition of an interest in the company Mediolanum International Life Ltd and the net value of its assets and liabilities. Positive consolidation differences were systematically amortised over a period of ten years, which is considered to be representative of the future profitability of the company purchased. Amortisation for the positive consolidation difference for the year amounted to 4 thousand euro.

**INVESTMENTS
(ITEM C)**

Item C I *Land and buildings* includes:

| <i>Euro in thousands</i> | 31.03.03 | 31.12.02 | 31.03.02 |
|---|---------------|---------------|---------------|
| Company buildings | 18,555 | 18,736 | 19,267 |
| Residential buildings leased to third parties | 48,526 | 48,526 | 48,526 |
| Industrial buildings leased to third parties | 4,283 | 4,326 | 9,405 |
| TOTAL | 71,364 | 71,588 | 77,198 |

All buildings owned by Mediolanum Vita S.p.A. were appraised: market value totalled 88,108 thousand euro. The evaluation was carried out using both the comparative – or market – method, and the revenue method. For such buildings, the market value proved to be 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 controlled companies”: 415,603 thousand euro of this relates to companies directly controlled by Mediolanum S.p.A. which are not engaged in the transaction of insurance or related business and were therefore evaluated using the equity method.

b) “Fininvest Group shares and quotas” of 99 thousand euro relate to:

| <i>Euro in thousands</i> Company | Share capital | % holding | Office |
|-------------------------------------|------------------|--------------|-----------------------|
| Consorzio Aeromobili Fininvest | 520 | 19 | Via Paleocapa 3 Milan |

c) “Shares and quotas in associated companies” refer to 17,088 thousand euro for a 48.5% interest in Banca Esperia S.p.A., a 50-50 joint-venture with Mediobanca S.p.A. in the private banking sector, valued using the equity method.

| <i>Euro in thousands</i> Company | Share capital | % holding | Office |
|-------------------------------------|------------------|--------------|-----------------------|
| Banca Esperia S.p.A. | 13,000 | 48.5 | Via del Lauro 7 Milan |

d) “Shares and quotas in other companies” totalling 172,496 thousand euro relate to:

| <i>Euro in thousands</i> Company | Share capital | % holding | Office |
|-------------------------------------|------------------|--------------|--------------------------------------|
| Cedacri Ovest S.p.A. | 7,461 | 12.308 | Via Liguria 33 Castellazzo B.da (AL) |
| Europa Invest S.A. | 125 | 14 | 4 rue Aldringen Luxembourg |
| Mediobanca S.p.A. | 389,275 | 1.813 | Via Filodrammatici 10 Milan |
| Consortium S.r.l. | 561,600 | 3.4 | Via Filodrammatici 10 Milan |
| SIA S.p.A. | 18,124 | 4.999 | Via Taramelli 26 Milan |
| Rita S.r.l. | 5,720 | 0.1 | P.zza S. Babila 1 Milan |

and consist of:

| <i>Euro in thousands</i> | 31.03.03 | 31.12.02 | 31.03.02 |
|--------------------------|----------|----------|----------|
| Cedacri Ovest S.p.A. | 1,357 | 1,357 | 1,007 |
| Europa Invest S.A. | 14 | 14 | 14 |
| Mediobanca S.p.A. | 129,907 | 129,907 | 129,907 |
| SIA S.p.A. | 12,407 | 12,407 | 12,407 |
| Tredicimarzo S.r.l. | 0 | 0 | 1 |
| Consortium S.r.l. | 28,798 | 28,798 | 28,795 |
| Rita S.r.l. | 13 | 13 | 13 |
| TOTAL | 172,496 | 172,496 | 172,144 |

Item C II 3 *Financial loans* consists of one credit line with a due date of December 31, 2003 and repaid at the official discount rate, granted by Mediolanum S.p.A to Mediolanum Comunicazione S.r.l for 1,291 thousand euro. This is a controlled company valued using the equity method.

In order to provide a more correct posting in the balance sheet, 381,124 thousand euro was reclassified compared to the situation at March 31, 2002. This figure relates to repurchase agreements between Mediolanum Vita S.p.A. and the affiliated company Banca Mediolanum S.p.A., previously posted under item C III *Other financial investments*; at March 31, 2003, Mediolanum Vita S.p.A. is not involved in any contracts of this nature.

Item C III *Other financial investments* includes:

Item C III 2 *Shares in mutual funds* includes shares of foreign mutual funds managed by Mediolanum International Funds Ltd totalling 42,517 thousand euro.

Long term financial investments amount to 316,287 thousand euro and mostly concern fixed income securities issued by the government and public bodies.

The financial investments that are not to remain a part of Group's assets amount to 848,749 thousand euro and consist of:

| <i>Euro in thousands</i> | 31.03.03 | 31.12.02 | 31.03.02 |
|---|----------|----------|----------|
| Shares and quotas | 2,538 | 2,790 | 4,073 |
| Shares in mutual funds | 42,585 | 60,035 | 193,358 |
| Bonds and other fixed income securities | 795,132 | 624,379 | 183,558 |
| Deposits with credit institutions | 4,404 | 7,003 | 135,738 |
| Other financial investments | 4,090 | 0 | 0 |
| TOTAL | 848,749 | 694,207 | 516,727 |

The evaluation of financial investments at current value that are to remain a part of Group's assets shows a potential loss of 4,425 thousand euro and a potential gain of 3,076 thousand euro.

The evaluation of financial investments at current value that are not to remain a part of Group's assets shows a potential gain of 223 thousand euro.

Financial loans (item C III 4) consist of:

| <i>Euro in thousands</i> | 31.03.03 | 31.12.02 | 31.03.02 |
|-------------------------------------|---------------|---------------|---------------|
| Secured loans on insurance policies | 15,473 | 15,643 | 15,772 |
| Loans to consultants | 397 | 397 | 397 |
| Other loans | 216 | 228 | 280 |
| TOTAL | 16,086 | 16,268 | 16,449 |

Item III 5 *Other loans* mainly includes *Deposits with credit institutions* that the company Mediolanum International Life Ltd has at Irish banks, and transactions in derivatives carried out by Mediolanum Vita S.p.A..

Changes relate to liquidity investment policies.

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

| <i>Euro in thousands</i> | 31.03.03 | 31.12.02 | 31.03.02 |
|--|---------------|---------------|---------------|
| Due from policyholders in the year | 23,681 | 10,319 | 39,550 |
| Due from policyholders from previous years' premiums | 1,373 | 1,373 | 1,689 |
| Due from intermediaries | 2,750 | 4,828 | 2,341 |
| Due from intermediaries for portfolio compensations | 16 | 17 | 21 |
| TOTAL | 27,820 | 16,537 | 43,601 |

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

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

| <i>Euro in thousands</i> | 31.03.03 | 31.12.02 | 31.03.02 |
|--|---------------|---------------|---------------|
| Due from real estate leases | 1,161 | 1,214 | 1,357 |
| Due from Mediolanum Group companies | 4,010 | 3,163 | 3,221 |
| Due from Fininvest Group and Doris Group companies | 6,313 | 6,043 | 2,222 |
| Due from tax authorities | 70,168 | 69,542 | 45,075 |
| Due from employees | 153 | 116 | 151 |
| Guarantee deposits | 82 | 82 | 82 |
| Advances to suppliers and professionals | 171 | 124 | 276 |
| Other receivables | 1,407 | 890 | 2,563 |
| TOTAL | 83,465 | 81,174 | 54,947 |

"Due from Mediolanum Group companies" consists of the receivables related to recharge of costs for seconded employees of Mediolanum S.p.A. directed to work at controlled companies, as well as receivables relating to the funds of employees transferred from other Group companies.

“Due from Fininvest Group and Doris Group companies” mainly consists of an amount of 5,390 thousand euro due from the associated company Mediaset S.p.A. to Mediolanum Vita S.p.A., relating to the sale of a building finalised in December of the previous year, the money for which was received at the beginning of April. The item also consists of amounts due from Mediolanum Assicurazioni S.p.A. relating to commissions on the sale of insurance policies and to the recharge of costs for seconded employees.

“Other receivables” mainly refers to revenues from securities sold at the beginning of April.

“Due from tax authorities” is analysed as follows:

| <i>Euro in thousands</i> | 31.03.03 | 31.12.02 | 31.03.02 |
|--|---------------|---------------|---------------|
| Tax reimbursements | 14,026 | 13,868 | 13,722 |
| Advance payments and amounts brought forward | 39,615 | 39,615 | 11,114 |
| Tax withholdings | 3,344 | 2,862 | 4,737 |
| Tax credits on dividends and mutual funds | 12,816 | 12,816 | 15,160 |
| Other | 367 | 381 | 342 |
| TOTAL | 70,168 | 69,542 | 45,075 |

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

| <i>Euro in thousands</i> | 31.03.03 | 31.12.02 | 31.03.02 |
|-----------------------------------|--------------|--------------|--------------|
| Furniture and fittings | 852 | 937 | 1,187 |
| Systems | 36 | 44 | 38 |
| Equipment | 605 | 636 | 604 |
| Electric and electronic equipment | 1,484 | 1,609 | 1,825 |
| Advance payments | 0 | 0 | 1 |
| Other assets | 10 | 11 | 13 |
| TOTAL | 2,987 | 3,237 | 3,668 |

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

Liquid assets (item F II) represent the balance in ordinary current accounts with Banca Mediolanum S.p.A. (141,173 thousand euro) and with other credit institutions for the remaining amount, and are mainly employed in hot money operations of a duration less than 15 days.

Item F III *Own shares* includes 365,000 shares at a nominal value of 36.5 thousand euro of Mediolanum S.p.A.

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

| <i>Euro in thousands</i> | 31.03.03 | 31.12.02 | 31.03.02 |
|--------------------------------|---------------|---------------|---------------|
| Accrued interest on securities | 14,201 | 14,058 | 21,919 |
| Other accrued income | 495 | 365 | 435 |
| Prepayments for insurance | 45 | 63 | 11 |
| Prepayments for rent | 13 | 2 | 19 |
| Other prepayments | 399 | 131 | 263 |
| TOTAL | 15,153 | 14,619 | 22,647 |

Changes in consolidated capital and reserves are in Attachment 3.

| <i>Euro in thousands</i> | Capital and reserves | Profit for the period | Total shareholders' equity |
|---|----------------------|-----------------------|----------------------------|
| Parent company financial statements at March 31, 2002 | 278,066 | 73,412 | 351,478 |
| Subsequent changes in carrying value and Shareholders' equity of companies included in consolidation | 118,360 | 3,955 | 122,315 |
| Differences in investments valued by the equity method | 40,182 | 25,796 | 65,978 |
| Conversion difference of companies included in consolidation | 77 | 0 | 77 |
| Consolidation with the equity method of companies previously valued at cost | (1,223) | 0 | (1,223) |
| Inter-company dividends | 77,182 | (77,182) | 0 |
| Inter-company dividends for accrual | 0 | 0 | 0 |
| Application of Group-wide accounting policies | 195 | (1,177) | (982) |
| Elimination of inter-company transactions | (832) | (4) | (836) |
| Amortisation of consolidation differences in the company's equity investments valued using the equity method | (15,947) | (4,660) | (20,607) |
| Amortisation of capital gains attributed to buildings as at the date of acquisition of the company valued using the equity method | (312) | (64) | (376) |
| Amortisation of consolidation difference of companies consolidated on a line-by-line basis | (5) | (4) | (9) |
| Consolidated financial statements at March 31, 2002 | 495,743 | 20,072 | 515,815 |

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>Euro in thousands</i> | Capital and reserves | Profit for the period | Total shareholders' equity |
|---|-------------------------|--------------------------|----------------------------------|
| Parent company financial statements for the year 2002 | 205,682 | 185,839 | 391,521 |
| Subsequent changes in carrying value and Shareholders' equity of companies included in consolidation | 111,358 | 10,169 | 121,527 |
| Differences in investments valued by the equity method | 27,425 | 111,342 | 138,767 |
| Conversion difference of companies included in consolidation | 77 | 0 | 77 |
| Consolidation with the equity method of companies previously valued at cost | (1,223) | 0 | (1,223) |
| Inter-company dividends | 96,939 | (96,939) | 0 |
| Inter-company dividends for accrual | 0 | (105,666) | (105,666) |
| Application of Group-wide accounting policies | 195 | (3,372) | (3,177) |
| Elimination of Inter-company transactions | (832) | 97 | (735) |
| Amortisation of consolidation differences in the company's equity investments valued using the equity method | (15,947) | (19,150) | (35,097) |
| Amortisation of capital gains attributed to buildings as at the date of acquisition of the company valued using the equity method | (312) | (255) | (567) |
| Amortisation of consolidation difference of companies consolidated on a line-by-line basis | (5) | (16) | (21) |
| Consolidated financial statements for the year 2002 | 423,357 | 82,049 | 505,406 |

| <i>Euro in thousands</i> | Capital and reserves | Profit for the period | Total shareholders' equity |
|---|-------------------------|--------------------------|----------------------------------|
| Parent company financial statements at March 31, 2003 | 391,521 | (6,693) | 384,828 |
| Subsequent changes in carrying value and Shareholders' equity of companies included in consolidation | 121,527 | 6,511 | 128,038 |
| Differences in investments valued by the equity method | 79,924 | 21,609 | 101,533 |
| Conversion difference of companies included in consolidation | 77 | 0 | 77 |
| Consolidation with the equity method of companies previously valued at cost | (1,223) | 0 | (1,223) |
| Inter-company dividends | 0 | 0 | 0 |
| Inter-company dividends for accrual | (46,823) | 0 | (46,823) |
| Application of Group-wide accounting policies | (3,177) | 1,576 | (1,601) |
| Elimination of inter-company transactions | (735) | (4) | (739) |
| Amortisation of consolidation differences in the company's equity investments valued using the equity method | (35,097) | (4,787) | (39,884) |
| Amortisation of capital gains attributed to buildings as at the date of acquisition of the company valued using the equity method | (567) | (64) | (631) |
| Amortisation of consolidation difference of companies consolidated on a line-by-line basis | (21) | (4) | (25) |
| Consolidated financial statements at March 31, 2003 | 505,406 | 18,144 | 523,550 |

The amortisation of positive consolidation differences in the company's equity investments valued using the equity method refers to 3,173 thousand euro for interest in the Fibanc Group, to 1,492 thousand euro for interest held in the Gamax Group, and to 121 thousand euro for interest held in Bankhaus August Lenz & Co AG.

Such consolidation differences are amortised over a ten-year period, which is considered to be representative of the future profitability of the companies purchased. They also take into account the life span of the investment as well as the sectors and markets in which the companies operate.

Item D *Technical reserves when the risk is carried by policyholders and reserves from pension fund management* is analysed as follows:

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

| <i>Euro in thousands</i> | 31.03.03 | 31.12.02 | 31.03.02 |
|---|-----------|-----------|-----------|
| Technical reserves on unit-linked products | 2,768,109 | 2,775,195 | 2,943,312 |
| Technical reserves on index-linked products | 2,648,332 | 2,575,799 | 2,172,756 |
| Technical reserves resulting from pension fund management | 2,275 | 2,229 | 2,136 |
| TOTAL | 5,418,716 | 5,353,223 | 5,118,204 |

Item E *Provisions for risks and charges* is analysed as follows:

| <i>Euro in thousands</i> | 31.03.03 | 31.12.02 | 31.03.02 |
|--------------------------|----------|----------|----------|
| Provision for taxes | 22,795 | 18,345 | 31,605 |
| Other provisions | 563 | 704 | 785 |
| TOTAL | 23,358 | 19,049 | 32,390 |

For a more correct posting, the employee holiday pay accrual under G VII *Other payables*, "other liabilities" was reclassified: by 1,425 thousand euro compared to the financial statements drawn up as at December 31, 2002 and approved on April 29, 2003 by the Shareholders' meeting, and by 1,690 thousand euro compared to the quarterly report at March 31, 2002, approved on May 8, 2002, by the Board of Directors.

"Provision for taxes" is analysed as follows:

| <i>Euro in thousands</i> | 31.03.03 | 31.12.02 | 31.03.02 |
|---|----------|----------|----------|
| Provision for Irpeg-Irap (corporate income tax-tax on productive activities) | 18,929 | 13,111 | 27,992 |
| Provision for taxes for assessments | 1,893 | 1,975 | 220 |
| Provision for deferred taxes | 1,973 | 3,259 | 3,393 |
| TOTAL | 22,795 | 18,345 | 31,605 |

Deferred taxes are net of tax advances and amounted to 734 thousand euro.

“Other provisions” is analysed as follows:

| <i>Euro in thousands</i> | 31.03.03 | 31.12.02 | 31.03.02 |
|--|------------|------------|------------|
| Provision for future risks | 405 | 405 | 405 |
| Provision against illegal acts by agents | 125 | 125 | 125 |
| Agents loyalty provision | 19 | 160 | 241 |
| Sundry provisions | 14 | 14 | 14 |
| TOTAL | 563 | 704 | 785 |

**PAYABLES
AND OTHER LIABILITIES
(ITEMS G - H)**

Item G IV *Amounts owed to credit institutions* is due to the utilisation of loans given to Mediolanum S.p.A. by leading banks, while the 40 thousand euro decrease over December 31, 2002 is due to the partial reimbursement of a credit line.

Other payables (item G VII) is analysed as follows:

| <i>Euro in thousands</i> | 31.03.03 | 31.12.02 | 31.03.02 |
|---|---------------|---------------|---------------|
| Taxes charged to policyholders | 942 | 1,745 | 2,021 |
| Taxes | 24,185 | 21,355 | 5,781 |
| Payable to social security institutions | 447 | 939 | 981 |
| Trade accounts | 5,553 | 6,030 | 6,317 |
| Payable to Mediolanum Group companies | 30,459 | 32,567 | 61,997 |
| Payable to Fininvest Group and associated companies and Doris Group companies | 599 | 442 | 150 |
| Other | 1,629 | 3,020 | 1,231 |
| Other liabilities | 5,032 | 3,009 | 8,660 |
| TOTAL | 68,846 | 69,107 | 87,138 |

“Taxes” for the current fiscal year refer mainly to the allocation for the balance of the tax on mathematical reserves in compliance with Italian Law 209 of 24/09/2002 converted into Law 265 of 22/11/2002.

“Payable to social security institutions” refers to social security contributions made with reference to March wages which are duly paid the following April.

“Trade accounts” is analysed as follows:

| <i>Euro in thousands</i> | 31.03.03 | 31.12.02 | 31.03.02 |
|--|--------------|--------------|--------------|
| Services received | 2,858 | 4,009 | 2,222 |
| Invoices to be received | 2,398 | 1,765 | 3,718 |
| Emoluments to Directors and Statutory Auditors | 255 | 208 | 217 |
| Professional services | 42 | 48 | 160 |
| TOTAL | 5,553 | 6,030 | 6,317 |

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

“Payable to Fininvest Group and Doris Group companies” mainly consists of recharge costs due to Mediolanum Assicurazioni S.p.A. for seconded employees, and amounts due to companies linked to the Fininvest Group for contractually defined services for real estate, transportation and maintenance services. All services are in line with the best market conditions.

“Other liabilities” relate to:

| <i>Euro in thousands</i> | 31.03.03 | 31.12.02 | 31.03.02 |
|---|--------------|--------------|--------------|
| Commissions for unearned premiums | 1,424 | 211 | 4,837 |
| Outstanding earned premiums | 702 | 702 | 832 |
| Provision for 13 th /14 th month salary and production premiums | 1,006 | 536 | 1,166 |
| Other payables | 1,900 | 1,560 | 1,825 |
| TOTAL | 5,032 | 3,009 | 8,660 |

For a more correct posting, the amount of *Employee holiday pay accrual* under “other payables” previously posted under E *Provision for risks and charges*, was reclassified to *Other provisions*.

Accruals and deferred income (item H) is analysed as follows:

| <i>Euro in thousands</i> | 31.03.03 | 31.12.02 | 31.03.02 |
|--------------------------------------|------------|--------------|--------------|
| Accrued expenses | 705 | 2,135 | 1,775 |
| Deferred income on lease instalments | 230 | 72 | 408 |
| TOTAL | 935 | 2,207 | 2,183 |

Gross premiums written is analysed as follows:

| <i>Euro in thousands</i> | Direct operations | Reinsurance operations | Total |
|---|-------------------|------------------------|----------------|
| I - Life insurance | 17,914 | 5 | 17,919 |
| II - Marriage and birth insurance | 0 | 0 | 0 |
| III - Unit-linked insurance as per I and II | 384,950 | 0 | 384,950 |
| IV - Health insurance | 0 | 0 | 0 |
| V - Capitalisation operations | 3,022 | 0 | 3,022 |
| VI - Fund management | 220 | 0 | 220 |
| GROSS PREMIUMS | 406,106 | 5 | 406,111 |

**CONSOLIDATED
INCOME
STATEMENT
INFORMATION**

**INFORMATION
ON TECHNICAL ACCOUNTS**

Premiums were collected mainly in Italy, as well as in Spain and Ireland, and are analysed as follows:

| <i>Euro in thousands</i> | 31.03.03 | 31.03.02 | 31.12.02 |
|--------------------------|----------|----------|-----------|
| First year premiums | 50,003 | 62,475 | 262,961 |
| Subsequent year premiums | 147,310 | 119,612 | 575,172 |
| Single premiums | 208,793 | 389,060 | 1,307,544 |
| Indirect premiums | 5 | 6 | 20 |
| (less) Reinsurance ceded | (1,736) | (2,306) | (10,184) |
| NET PREMIUMS | 404,375 | 568,847 | 2,135,513 |

Allocated investment return transferred from the non-technical Life account is determined as per the ISVAP Provision dated March 8, 1999, no. 1140 G.

Commissions paid by Mediolanum Vita S.p.A. to Mediolanum S.p.A. and Partner Time S.p.A. for their activities as insurance agents totalling 36,507 thousand euro were not included in the consolidation. Acquisition commissions left over after consolidation cancellations were mainly those commissions paid to Banca Mediolanum S.p.A. and totalled 30,970 thousand euro.

INFORMATION ON THE NON-TECHNICAL ACCOUNT

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

| <i>Euro in thousands</i> | 31.03.03 | 31.03.02 | 31.12.02 |
|---|----------|----------|----------|
| Quotas in results for the year on investments valued by the equity method | 17,504 | 18,412 | 97,045 |
| Income from land and buildings | 593 | 689 | 3,140 |
| Shares in mutual funds | 34 | 2,744 | 4,151 |
| Bonds and other fixed income securities | 12,009 | 12,471 | 51,043 |
| Deposits at credit institutions | 1,459 | 2,218 | 8,410 |
| Other financial investments | 0 | 4,057 | 9,649 |
| Financial loans | 192 | 178 | 659 |
| TOTAL | 31,791 | 40,769 | 174,097 |

Proceeds from “deposits at credit institutions” include interest from deposits at Banca Mediolanum S.p.A. totalling 665 thousand euro.

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

| <i>Euro in thousands</i> | 31.03.03 | 31.03.02 | 31.12.02 |
|---|----------|----------|----------|
| Shares and quotas | 20 | 0 | 0 |
| Shares in mutual funds | 74 | 0 | 0 |
| Bonds and other fixed income securities | 938 | 3,049 | 2,707 |
| TOTAL | 1,032 | 3,049 | 2,707 |

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

| <i>Euro in thousands</i> | 31.03.03 | 31.03.02 | 31.12.02 |
|---|----------|----------|----------|
| Shares and quotas | 0 | 258 | 350 |
| Bonds and other fixed income securities | 4,597 | 32 | 4,360 |
| Other financial investments | 1,408 | 1 | 1,233 |
| TOTAL | 6,005 | 291 | 5,943 |

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

| <i>Euro in thousands</i> | 31.03.03 | 31.03.02 | 31.12.02 |
|---|----------|----------|----------|
| Management expenses from real estate investments | 206 | 206 | 1,126 |
| Other investment management expenses | 137 | 56 | 983 |
| Interest on deposit accounts with reinsurance companies | 1,324 | 2,189 | 7,032 |
| Interest payable | 16 | 1,632 | 73 |
| TOTAL | 1,683 | 4,083 | 9,214 |

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

| <i>Euro in thousands</i> | 31.03.03 | 31.03.02 | 31.12.02 |
|---|----------|----------|----------|
| Building depreciation | 224 | 274 | 895 |
| Shares and quotas | 855 | 28 | 1,294 |
| Mutual funds | 557 | 0 | 8,210 |
| Financial derivatives | 346 | 0 | 800 |
| Bonds and other fixed income securities | 7,006 | 165 | 9,813 |
| TOTAL | 8,988 | 467 | 21,012 |

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

| <i>Euro in thousands</i> | 31.03.03 | 31.03.02 | 31.12.02 |
|---|----------|----------|----------|
| Shares and quotas | 0 | 12 | 12 |
| Mutual funds | 0 | 1,956 | 2,249 |
| Bonds and other fixed income securities | 2,556 | 225 | 1,511 |
| Other financial investments | 3,570 | 0 | 1,997 |
| TOTAL | 6,126 | 2,193 | 5,769 |

Other revenues (item 6) is analysed as follows:

| <i>Euro in thousands</i> | 31.03.03 | 31.03.02 | 31.12.02 |
|--|--------------|--------------|---------------|
| Commission income for the sale of non-Life policies | 897 | 926 | 4,294 |
| Recharge of cost of employees seconded to Mediolanum Group companies valued by the equity method | 2,189 | 1,088 | 2,485 |
| Recharge of cost of employees seconded to Fininvest Group and Doris Group companies | 130 | 155 | 421 |
| Recuperation of costs | 104 | 151 | 397 |
| Interest from the tax authorities | 158 | 171 | 318 |
| Utilisation of provision for specific risks | 0 | 0 | 11 |
| Other revenues | 4,079 | 288 | 3,609 |
| TOTAL | 7,557 | 2,779 | 11,535 |

“Commission income for the sale of non-Life policies”, determined at market conditions, 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. These commissions are also entered under item 7 “Other charges” since they are retroceded by Mediolanum S.p.A. to Banca Mediolanum S.p.A., a company valued using the equity method.

“Recharge of cost of employees seconded to the Fininvest Group and Doris Group companies” relates to Mediolanum Assicurazioni S.p.A..

The “Other revenues” item mainly relates to performance commissions from the affiliated company Mediolanum International Funds Ltd to Mediolanum Vita S.p.A. for 3,574 thousand euro, and to interest receivable for 475 thousand euro, of which 257 thousand euro with Banca Mediolanum S.p.A..

Other costs (item 7) consist of:

| <i>Euro in thousands</i> | 31.03.03 | 31.03.02 | 31.12.02 |
|---|---------------|---------------|---------------|
| Interest on financial payables | 2,361 | 924 | 5,784 |
| Commission income for the sale of non-Life policies | 897 | 926 | 4,299 |
| Cost of Mediolanum S.p.A. employees | 4,672 | 6,012 | 20,072 |
| Other administrative expenses of Mediolanum S.p.A. | 3,173 | 3,392 | 17,748 |
| Amortisation of intangible assets | 2,722 | 2,667 | 11,415 |
| Accruals to the bad debts fund | 0 | 0 | 18 |
| Other costs | 181 | 0 | 5,146 |
| TOTAL | 14,006 | 13,921 | 64,482 |

Extraordinary income (item 9) is analysed as follows:

| <i>Euro in thousands</i> | 31.03.03 | 31.03.02 | 31.12.02 |
|---|----------|----------|----------|
| Gain on the sale of long-term investments | 0 | 0 | 2,227 |
| Gain on the sale of assets | 0 | 7 | 16 |
| Gain on the sale of bonds and other fixed-income securities | 6,980 | 128 | 9,298 |
| Other extraordinary income | 0 | 0 | 0 |
| Out of period revenues | 58 | 161 | 1,070 |
| TOTAL | 7,038 | 296 | 12,611 |

Extraordinary charges (item 10) is analysed as follows:

| <i>Euro in thousands</i> | 31.03.03 | 31.03.02 | 31.12.02 |
|---|----------|----------|----------|
| Loss on the sale of assets | 0 | 0 | 20 |
| Loss on the sale of bonds and other fixed-income securities | 0 | 1,344 | 2,197 |
| Other extraordinary charges | 2,799 | 0 | 1,757 |
| Put of period expenses | 323 | 13 | 818 |
| TOTAL | 3,122 | 1,357 | 4,792 |

“Other extraordinary charges” includes the provision allocated for compliance to the requirements established in the 2003 Financial Law.

In the light of the positive results of the first quarter 2003, it is expected that the results for the year will be positive.

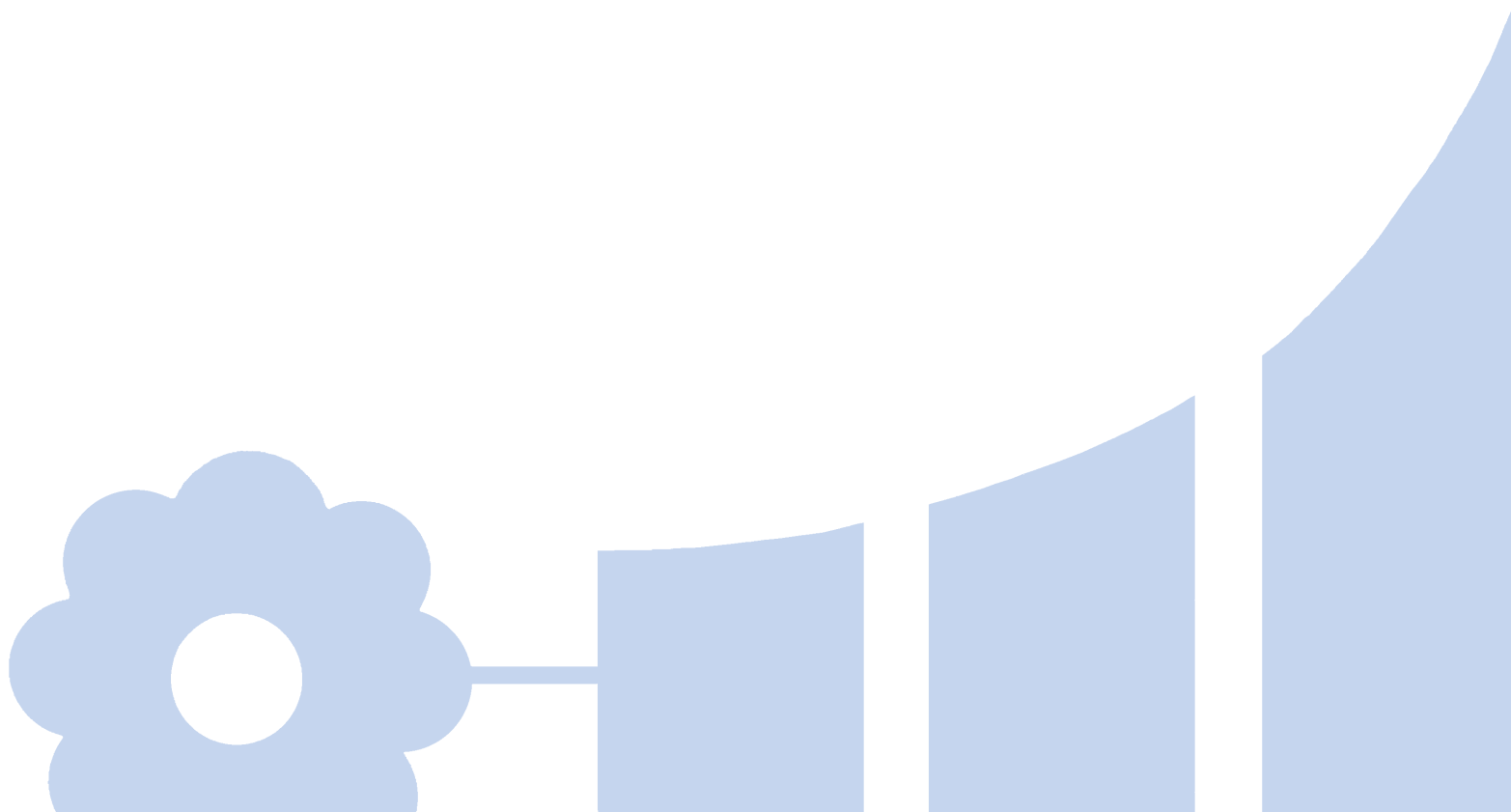
For the Board of Directors

Roberto Ruozi

Chairman

MEDIOLANUM GROUP

ATTACHMENTS



ATTACHMENT 1

ANALYSIS OF CHANGES IN INTANGIBLE ASSETS AS AT MARCH 31, 2003

Euro in thousands

| Intangible assets | Opening situation | | | |
|--|-------------------|-----------------|-----------------|-----------|
| | Historic cost | Accum. Amortis. | Opening balance | Additions |
| Start-up and expansion costs | 44,791 | (36,102) | 8,689 | 0 |
| Concessions, licences, trademarks and similar rights | 18,589 | (12,278) | 6,311 | 707 |
| Improvements on leased properties | 2,629 | (2,404) | 225 | 3 |
| Assets under formation and advances | 80 | 0 | 80 | 94 |
| Consolidation difference | 64 | (21) | 143 | 0 |
| TOTAL | 66,253 | (50,805) | 15,448 | 804 |

ATTACHMENT 2

ANALYSIS OF CHANGES IN TANGIBLE FIXED ASSETS AS AT MARCH 31, 2003

Euro in thousands

| Tangible assets | Opening situation | | | |
|-------------------------------------|-------------------|-----------------|-----------------|-----------|
| | Historic cost | Accum. Amortis. | Opening balance | Additions |
| Land and buildings | 78,361 | (6,773) | 71,588 | 0 |
| Plant and machinery | 221 | (177) | 44 | 0 |
| Industrial and trade equipment | 1,673 | (1,037) | 636 | 7 |
| Other tangible fixed assets | 14,025 | (11,468) | 2,557 | 63 |
| Assets under formation and advances | 0 | 0 | 0 | 0 |
| TOTAL | 94,280 | (19,455) | 74,825 | 70 |

Movements for the period

Closing situation

| Net disposals | Amortisation | Net reclassifications | Historic cost | Accum. Amortis. | Closing balance |
|---------------|--------------|-----------------------|---------------|-----------------|-----------------|
| 0 | (1,982) | 0 | 44,791 | (38,084) | 6,707 |
| 0 | (711) | (44) | 19,252 | (12,989) | 6,263 |
| 0 | (25) | 0 | 2,632 | (2,429) | 203 |
| 0 | 0 | 44 | 218 | 0 | 218 |
| 0 | (4) | 0 | 164 | (25) | 139 |
| 0 | (2,722) | 0 | 67,057 | (53,527) | 13,530 |

Movements for the period

Closing situation

| Net disposals | Amortisation | Net reclassifications | Historic cost | Accum. Amortis. | Closing balance |
|---------------|--------------|-----------------------|---------------|-----------------|-----------------|
| 0 | (224) | 0 | 78,361 | (6,997) | 71,364 |
| 0 | (8) | 0 | 221 | (185) | 36 |
| 0 | (38) | 0 | 1,680 | (1,075) | 605 |
| 0 | (274) | 0 | 14,088 | (11,742) | 2,346 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | (544) | 0 | 94,350 | (19,999) | 74,351 |

ATTACHMENT 3

ANALYSIS OF CHANGES IN CONSOLIDATED CAPITAL AND RESERVES AS AT MARCH 31, 2003

| <i>Euro in thousands</i> | Share capital | Net equity reserves | Consolidation reserve |
|--|------------------|------------------------|--------------------------|
| Consolidated balance at December 31, 2002 | 72,537 | 131,131 | 118,388 |
| Allocation of profit for the period: | | | |
| - payment of dividends out of profits | | | |
| - reserve | | 79,223 | 4,680 |
| Creation of reserve for own shares | | 582 | |
| Profit (loss) for the period | | | |
| Consolidated balance at March 31, 2003 | 72,537 | 210,936 | 123,068 |

| Reserve diff. val. of non-consolidated companies | Reserve for exchange rate difference | Reserve for own shares and shares of parent company | Consolidated profit | Total shareholders' equity |
|--|--|---|------------------------|----------------------------------|
| 99,210 | 77 | 2,014 | 82,049 | 505,406 |
| | | | | 0 |
| (1,854) | | | (82,049) | 0 |
| | | (582) | | 0 |
| | | | 18,144 | 18,144 |
| 97,356 | 77 | 1,432 | 18,144 | 523,550 |

ATTACHMENT 4

Euro in thousands

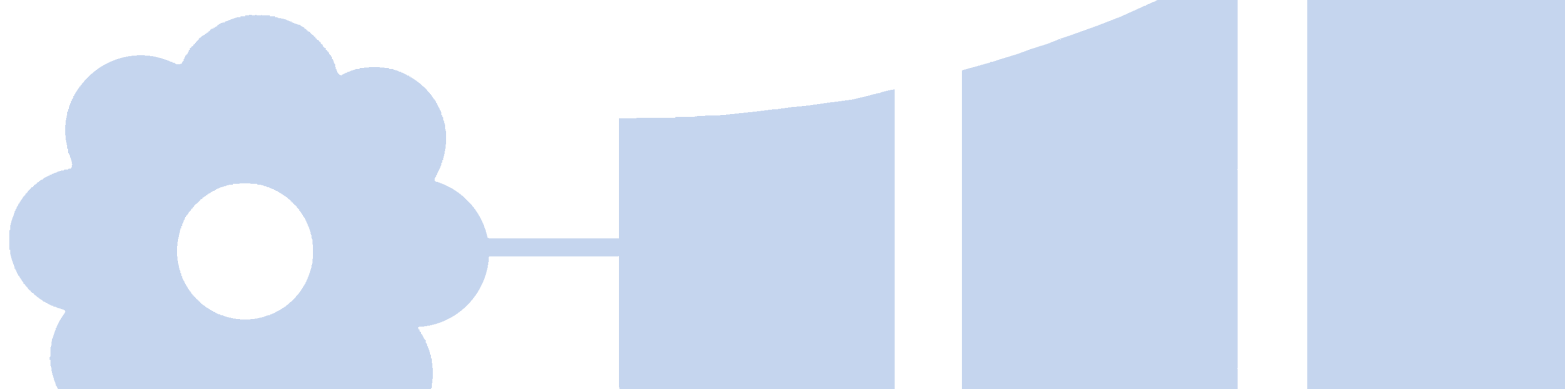
31.03.2003

CONSOLIDATED CASH FLOW STATEMENT AS AT MARCH 31, 2003

| | |
|---|------------------|
| Opening cash | 368,855 |
| Group profit (loss) for the period | 18,144 |
| Net amortisation, depreciation and provisions for risks and charges | 3,462 |
| Net gains on the disposal of fixed assets | 0 |
| Change in technical reserves net of reinsurance | (1,867) |
| Change in tax provision and other specific provisions | 2,885 |
| Net change in employee termination indemnity | (648) |
| Net change in payables and receivables with insurers and reinsurers | (26,158) |
| Net change in other receivables and payables and other assets and liabilities | 919 |
| Net change in accruals and prepayments and deferrals | (1,806) |
| Cash flow from operating activities | (5,069) |
| Net investments in intangible assets | (804) |
| Net investments in tangible fixed assets | (70) |
| Net increase in equity interests held | 41,339 |
| Own shares acquired | 582 |
| Net increase in other financial investments | (97,171) |
| Cash flow from investing activities | (56,124) |
| Utilisation of credit lines | (40,000) |
| Cash flow from financing activities | (40,000) |
| Dividends distributed | 0 |
| Cash flow for the period | (101,193) |
| Closing cash and cash equivalents | 267,662 |

MEDIOLANUM GROUP

*DIRECTORS' REPORT
ON THE FINANCIAL
STATEMENTS
AS AT MARCH 31
2003*



The Mediolanum Group in the 1st quarter 2003

PERFORMANCE OF THE GROUP

The performance of the Mediolanum Group for the 1st quarter 2003 was satisfactory in spite of the ongoing crisis that has been affecting financial markets for more than thirty months.

Net profit for the period amounted to 18,144 thousand euro (31.03.2002: 20,072 thousand euro) after income taxes of 8,879 thousand euro (31.03.2002: 6,783 thousand euro), a 9.61% decrease, after provisions of 3,832 thousand euro to fulfil the requirements of the Financial Act 2003.

Results net of new ventures (Fibanc Group, Gamax Group and Bankhaus August Lenz & Co. AG, Banca Esperia S.p.A.) were 27,709 thousand euro (31.03.2002: 27,077 thousand euro), a 2.33% increase over the same period in 2002.

PERFORMANCE OF THE SECTORS WHERE THE GROUP OPERATES

In order to facilitate a comparison with the previous year's results and to better understand the managerial aspects, the performance of the Mediolanum Group excluding the Fibanc Group, Mediolanum International S.A., Mediolanum Private S.A.M., Bankhaus August Lenz & Co. AG, the Gamax Group and Banca Esperia S.p.A. is covered in this report.

The performance and the results of the new ventures are addressed in a separate section.

MEDIOLANUM GROUP EXCLUDING NEW VENTURES (CORE BUSINESS)

Considering the unfavourable market conditions in the first quarter 2003 compared to the same period of the previous year, the Mediolanum Group results in terms of inflows and assets can be regarded as positive.

THE BANKING MARKET

The performance of Banca Mediolanum S.p.A. was very satisfactory. Assets under administration at March 31, 2003 totalled 4,978.8 million euro (31.03.2002: 4,688.5 million euro), a 6.2% growth. As at March 31, 2003, there were 335,134 current accounts (31.12.2002: 340,000; 31.03.2002: 309,585).

Net profits of companies operating in the banking field in which investments are held (valued on an equity basis):

| <i>Euro in thousands</i> | 1 st Q 03 | 1 st Q 02 | 31.12.2002 |
|--------------------------|----------------------|----------------------|------------|
| Banca Mediolanum S.p.A. | 3,376 | 1,614 | 58,815 |

The results obtained by Banca Mediolanum S.p.A. were in line with growth expectations.

In the first quarter 2003, total gross inflows for the mutual fund and managed account business came to 406.1 million euro (31.03.2002: 704.9 million euro), and net inflows were 138.2 million euro (31.03.2002: 181.5 million euro). Assets under administration at March 31, 2003 totalled 8,256.4 million euro (31.03.2002: 10,165.9 million euro), a 18.8% decrease over the same period in the previous year.

**MUTUAL FUNDS
AND MANAGED ACCOUNTS**

Net profits of companies operating in the “management field” in which investments are held (valued on an equity basis)

| <i>Euro in thousands</i> | 1 st Q 03 | 1 st Q 02 | 31.12.2002 |
|------------------------------------|----------------------|----------------------|------------|
| Mediolanum Gestione Fondi SGR p.A. | 413 | 1,849 | 6,658 |
| Mediolanum International Funds Ltd | 20,526 | 22,548 | 118,469 |

The performance of companies in this period was mainly affected by lower management and performance commissions, resulting from the negative trends in international financial markets.

Managed assets fell sharply during the period due to both the loss of value of financial instruments, and a greater tendency by depositors to favour different forms of investments, such as government bonds and liquidity.

Total Life premiums written in the quarter came to 395.6 million euro, a 29.9% increase compared to the first quarter 2002 (564.9 million euro) which, unlike the current year, also benefited from the transformation of traditional Life policies into new insurance products.

THE LIFE BUSINESS

New business amounted to 224.5 million euro, a 45.9% decrease compared to the first quarter 2002 (415 million euro).

Single premiums reached 198 million euro, a 48.2% decrease over the first quarter 2002 (382.4 million euro).

Net profits for the period of companies operating in the Life insurance sector in which investments are held (valued on a line-by-line basis):

| <i>Euro in thousands</i> | 1 st Q 03 | 1 st Q 02 | 31.12.2002 |
|--------------------------|----------------------|----------------------|------------|
| Mediolanum Vita S.p.A. | 6,166 | 3,341 | 6,965 |
| Partner Time S.p.A. | 686 | 804 | 4,317 |

Profits of companies operating in the Life business are in line with expectations, despite the decrease in premiums collected.

OTHER PRODUCTS

In the first quarter 2003, the placement of Abbey National Bank Plc home loans with Group clients continued, for about 44 million euro (31.03.2002: 38 million euro).

Profits for the period of other companies (valued on an equity basis):

| <i>Euro in thousands</i> | 1 st Q 03 | 1 st Q 02 | 31.12.2002 |
|----------------------------------|----------------------|----------------------|------------|
| Mediolanum State Street SGR p.A. | 196 | 20 | 212 |
| Mediolanum Asset Management Ltd | 377 | 158 | 1,619 |
| Mediolanum Comunicazione S.r.l. | (103) | 86 | 11 |
| Mediolanum Fiduciaria S.p.A. | (10) | (5) | (1) |
| PI Distribuzione S.r.l. | (133) | (47) | 3 |

NEW VENTURES

**THE FIBANC
GROUP**

Despite the ongoing crisis in financial markets, the performance of the Spanish Group in the 1st quarter 2003 was satisfactory. Significant progress was registered in terms of volume in particular.

These results stem from the implementation in Spain of the Mediolanum multi-channel model, a wider selection of services in the insurance, pension and financial fields, and from the strengthening and training of the new network of financial advisors, which now numbers 658 agents and commercial employees, compared to 526 in the previous year (+25.1%). There were 264 exclusive financial advisors at March 31, 2003 (259 at December 31, 2002) according to the Banca Mediolanum S.p.A. model.

Fibanc Group: volume of trade

| <i>Euro in thousands</i> | 1 st Q 03 | 1 st Q 02 | 31.12.2002 |
|-------------------------------|----------------------|----------------------|------------|
| - Assets under administration | 1,835.9 | 1,984.4 | 1,788.3 |
| - Gross inflows | 173 | 116.4 | 353 |
| - Net inflows | 63.8 | 32.4 | 59 |

Employees

| <i>Unit</i> | 1 st Q 03 | 1 st Q 02 | 31.12.2002 |
|------------------------|----------------------|----------------------|------------|
| Clerical personnel (*) | 255 | 286 | 297 |
| Managers | 19 | 19 | 19 |
| TOTAL | 274 | 306 | 316 |

(*) of whom 9 are commercial employees.

Net profit of the Fibanc Group

| <i>Euro in thousands</i> | 1 st Q 03 | 1 st Q 02 | 31.12.2002 |
|--------------------------|----------------------|----------------------|------------|
| FIBANC GROUP | 358 | 2 | 328 |

The Luxembourg-based company carries out sub-holding activities, coordinating the business of the companies it directly controls: Mediolanum Private S.A.M. and the German group headed by the company Gamax Holding AG.

**MEDIOLANUM
INTERNATIONAL S.A.**

Net profit of Mediolanum International S.A.

| <i>Euro in thousands</i> | 1 st Q 03 | 31.12.2002 |
|-------------------------------|----------------------|------------|
| MEDIOLANUM INTERNATIONAL S.A. | 95 | 11 |

The Gamax Group consists of a holding with an interest in two fund management companies in Luxembourg, and two distribution companies in Germany (based in Leverkusen) and Austria (based in Salzburg).

**THE GAMAX
GROUP**

The Group's gross and net inflows were affected by the crisis in international financial markets, particularly in Germany. The 1st quarter 2003 saw the continuation of the placing of financial and pension/health products of the Mediolanum Group that began in the second half of 2002.

Gamax Group: volume of trade

| <i>Euro in millions</i> | 1 st Q 03 | 1 st Q 02 | 31.12.2002 |
|-------------------------------|----------------------|----------------------|------------|
| - Assets under administration | 401 | 638.1 | 623 |
| - Gross inflows | 24 | 31.2 | 151 |
| - Net inflows | 2.8 | 11.3 | 113 |

The sales network consisted of 1,032 independent agents, of whom 912 were in Germany and 120 in Austria.

Net profit of the Gamax Group

| <i>Euro in thousands</i> | 1 st Q 03 | 1 st Q 02 | 31.12.2002 |
|--------------------------|----------------------|----------------------|------------|
| GAMAX GROUP | (345) | 601 | (2,057) |

The loss incurred in the first quarter 2003 by Gamax Group companies relates mainly to the results of the distribution companies, which suffered on the one hand from lower revenues resulting from lower management commission and decreased volume, and on the other from more extensive investments relating to the corporate restructuring process.

MEDIOLANUM PRIVATE S.A.M.

This company, based in the Principality of Monaco, is 75% controlled by Mediolanum International S.A.; the remaining 25% is held by Compagnie Monégasque de Banque. Corporate activity started in 2002 so it is not possible to compare this quarter's data and results with those of the same period in the previous year. However, to evaluate the performance of the Group, the current figures are compared with the data and results as at December 31, 2002.

The operation has two members of staff.

Net profit of Mediolanum Private S.A.M.

| <i>Euro in thousands</i> | 1 st Q 03 | 31.12.2002 |
|---------------------------|----------------------|------------|
| MEDIOLANUM PRIVATE S.A.M. | (107) | (18) |

Mediolanum Private S.A.M: volume of trade

| <i>Euro in millions</i> | 1 st Q 03 | 31.12.2002 |
|-------------------------------|----------------------|------------|
| - Assets under administration | 8 | 7 |
| - Gross inflows | 2 | 9 |
| - Net inflows | 1 | 8 |

In 2003, the placing of the company's products continued on the Spanish market through the Fibanc Group network and on the German market through the Gamax Group network.

As at March 31, 2003, gross premiums totalled 10,499 thousand euro, and assets were 31 million euro.

Net profit of Mediolanum International Life Ltd

| <i>Euro in thousands</i> | 1 st Q 03 | 31.12.2002 |
|-----------------------------------|----------------------|------------|
| MEDIOLANUM INTERNATIONAL LIFE LTD | (341) | (1,112) |

In 2003, the first quarter's activity for the German bank, which began operating in December 2002, was very vigorous, marked by increased sales of the banking, financial and insurance products of the Irish companies of the Group: Mediolanum International Life Ltd and Mediolanum International Funds Ltd.

The company started operations during 2002, so it is not possible to compare this quarter's data and results with those of the same period in the previous year. However, to evaluate the performance of the Group, the current figures are compared with the data and results as at December 31, 2002.

The sales network, still at a start-up stage, consisted of 63 sole agents at March 31, 2003.

Net profit of Bankhaus August Lenz & Co. AG

| <i>Euro in thousands</i> | 1 st Q 03 | 31.12.2002 |
|-------------------------------|----------------------|------------|
| BANKHAUS AUGUST LENZ & CO. AG | (1,761) | (3,633) |

Bankhaus August Lenz & Co. AG: volume of trade

| <i>Euro in thousands</i> | 1 st Q 03 | 31.12.2002 |
|-------------------------------|----------------------|------------|
| - Assets under administration | 1,582 | 580 |
| - Gross inflows | 1,390 | 630 |
| - Net inflows | 1,390 | 630 |

BANCA ESPERIA

The performance of the Banking Group Banca Esperia was very strong in the first quarter 2003, both in terms of gross inflows (+67.94% over 31.03.2002), and managed assets (+54.43% over 31.03.2002).

Banking Group Banca Esperia: volume of trade

| <i>Euro in millions</i> | 1 st Q 03 | 1 st Q 02 | 31.12.2002 |
|-----------------------------------|----------------------|----------------------|------------|
| - Assets under administration (*) | 2,579 | 1,670 | 2,857 |
| - Gross inflows | 680 | 404,9 | 1,754 |
| - Net inflows | 454 | 282,4 | 899 |

(*) the value of assets managed net of SICAV subscribed to by Banca Esperia clients within individual management programs totalled 648 million euro at March 31, 2003, compared to 386 million euro at March 31, 2002.

Net profit of the Banking Group Banca Esperia

| <i>Euro in thousands</i> | 1 st Q 03 | 1 st Q 02 | 31.12.2002 |
|-----------------------------|----------------------|----------------------|------------|
| BANKING GROUP BANCA ESPERIA | (2,094) | (2,123) | (7,121) |

VOLUME

Volume is broken down by main business lines and developed as follows:

Inflows of managed accounts products

| <i>Euro in millions</i> | 1 st Q 03 | 1 st Q 02 | % change |
|---|----------------------|----------------------|----------|
| "Core Business" | | | |
| Life insurance business | | | |
| <i>New business</i> | | | |
| - Deferred annuities and recurring premiums | 26.5 | 32.6 | (18.8) |
| - Single premiums and group policies | 198.0 | 382.4 | (48.2) |
| TOTAL NEW BUSINESS | 224.5 | 415.0 | (45.9) |
| <i>In-force business</i> | | | |
| - Deferred annuities | 147.4 | 130.2 | 13.2 |
| - Recurring single premiums | 23.7 | 19.7 | 20.1 |
| TOTAL IN-FORCE BUSINESS | 171.1 | 149.9 | 14.1 |
| TOTAL PREMIUMS WRITTEN | 395.6 | 564.9 | (30.1) |
| (less) Premiums ceded | (2) | (2) | n.a. |
| TOTAL LIFE PREMIUMS | 393.5 | 562.9 | (30.1) |
| Financial products | | | |
| <i>Mutual accounts funds and managed accounts</i> | | | |
| - Gross consolidated inflows | 406.1 | 704.9 | (42.4) |
| - Net consolidated inflows | 138.2 | 181.5 | (23.83) |
| "New ventures" | | | |
| Life insurance products | | | |
| <i>New business</i> | | | |
| - Single premiums | 11 | 6 | 83.33 |
| Financial products | | | |
| <i>Mutual accounts funds and managed accounts</i> | | | |
| - Gross consolidated inflows | 880 | 552.5 | 59.28 |
| - Net consolidated inflows | 522.6 | 326.1 | 60.26 |

Consolidated assets under administration

| <i>Euro in millions</i> | 1 st Q 03 | 1 st Q 02 | Change |
|--|----------------------|----------------------|--------|
| - Life reserves | 6,779.3 | 6,989.1 | 3.0 |
| - Mutual funds and managed accounts | 8,256.4 | 10,165.9 | (18.8) |
| - Direct and indirect bank inflows | 4,978.8 | 4,688.5 | 6.2 |
| - Pension funds | 165.7 | 406.9 | (59.3) |
| - Consolidation adjustments | (2,917.9) | (3,406.2) | (14.3) |
| TOTAL "CORE BUSINESS" | 17,262.3 | 18,844.2 | (8.4) |
| - Fibanc assets under administration(*) | 1,835.9 | 1,984.3 | (7.5) |
| - Gamax assets under administration | 401 | 638.1 | (37.2) |
| - Bankhaus August Lenz assets under administration(**) | 1.2 | 0 | n.a. |
| - Banca Esperia assets under administration | 1,250.9 | 622.8 | 100.9 |
| - Med. Private assets under administration(**) | 7.5 | 0 | n.a. |
| TOTAL "NEW VENTURES" | 3,496.5 | 3,245.6 | 7.7 |
| GROUP TOTAL | 20,758.8 | 22,089.4 | (6.0) |

(*) The result includes the value of assets managed by Mediolanum International Life Ltd and placed through the Fibanc network for 10.7 million euro (31.03.2002: 10.8 million euro).

(**) comparable data is not available, either because the acquisition of these companies took place after the year of reference, or because they were not fully operational.

The sales network

| | 1 st Q 03 | 1 st Q 02 | 31.12.2002 |
|---|----------------------|----------------------|------------|
| Licensed financial advisors (Banca Mediolanum S.p.A.) | 4,110 | 3,924 | 4,114 |
| Non-licensed financial advisors (Banca Mediolanum S.p.A.) | 873 | 1,387 | 901 |
| Partner Time insurance agents | 1,379 | 1,390 | 1,402 |
| TOTAL "CORE BUSINESS" | 6,362 | 6,701 | 6,417 |
| Fibanc* network | 658 | 526 | 663 |
| Gamax network | 1,032 | 1,425 | 1,104 |
| Bankhaus August Lenz network | 63 | 0 | 36 |
| TOTAL "NEW VENTURES" | 1,493 | 1,951 | 1,803 |
| TOTAL | 7,855 | 8,626 | 8,220 |

(*) of whom 9 are commercial employees.

Employees

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

| <i>Unit</i> | 1 st Q 03 | 1 st Q 02 | 31.12.2002 |
|-----------------------|----------------------|----------------------|------------|
| Clerical personnel | 821 | 805 | 822 |
| Supervisory personnel | 119 | 106 | 112 |
| Managers | 63 | 62 | 61 |
| TOTAL | 1,003 | 973 | 995 |

HUMAN RESOURCES

EVENTS IN THIS PERIOD No significant events are reported.

SIGNIFICANT
POST-PERIOD EVENTS Since March 31, 2003, no significant events have occurred that could have a significant impact on the company's financial and asset situation or the economic results.

EXPECTED FUTURE TRENDS The trends observed in the companies of the Mediolanum Group in the first quarter of 2003 lead us to believe that the performance for the year will be positive.

For the Board of Directors

Roberto Ruozi

Chairman

The Mediolanum Group, following the enactment of Italian Law 173/97 (specifically article 58, point 2), is obliged to draw up 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 because it includes companies not engaged in insurance (Banca Mediolanum S.p.A., Mediolanum Gestioni Fondi SGR.p.A., Mediolanum International Funds Ltd, Fibanc Inversiones S.A. and its controlled companies, Mediolanum Asset Management Ltd, Bankhaus August Lenz & Co. AG, Mediolanum International S.A. and its controlled companies), 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 it was considered essential to provide the reader with an overall profile of the Group, an appendix is included that is consolidated on a line-by-line basis which allows a comparison of the most significant Income Statement items, reclassified using management criteria. The goal was to provide a clear, easily read document giving a clearer overall understanding of the Mediolanum Group; it is not intended to provide information about the changes between the accounting balances.

RECLASSIFIED INCOME STATEMENT

| Euro in thousands | Mediolanum Group | | Core Business | |
|--|-------------------|-------------------|--------------------|--------------------|
| | 31.03.2003 (*) | 31.03.2002 (*) | 31.03.2003 (**) | 31.03.2002 (**) |
| Premiums from insurance activities | | | | |
| - Gross premiums written | 406,111 | 571,152 | 395,612 | 564,883 |
| - Reinsurance ceded | (1,736) | (2,306) | (1,728) | (2,221) |
| Commission income from financial activities and other income | | | | |
| - Entry fees | 7,627 | 10,439 | 6,825 | 8,804 |
| - Management fees | 36,373 | 43,186 | 32,488 | 37,454 |
| - Performance fees | 5,329 | 2,601 | 5,329 | 2,601 |
| - Bank service margin | 15,077 | 16,199 | 15,077 | 16,006 |
| - Bank interest spread | 17,296 | 8,761 | 15,404 | 5,636 |
| - Other commissions | 6,370 | 4,795 | 1,741 | 1,544 |
| - Other revenues | 1,963 | 794 | 1,245 | 403 |
| TOTAL REVENUES | 494,410 | 655,621 | 471,993 | 635,110 |
| Change in Life insurance reserves and benefits paid to policyholders, net of reinsurance | (353,241) | (511,470) | (343,624) | (505,531) |
| Acquisition costs, net of reinsurance | (45,110) | (55,833) | (40,341) | (51,283) |
| General costs | (50,757) | (46,231) | (40,946) | (38,042) |
| Amortisation/depreciation and provisions | (17,388) | (16,721) | (10,353) | (9,882) |
| Net investment and asset income | 9,064 | (1,382) | 8,307 | (689) |
| Interest paid on investments | 0 | 0 | 2,236 | 2,537 |
| Adjustments to the value of financial investments | (6,271) | 2,545 | (6,271) | 2,545 |
| OPERATING PROFIT | 30,707 | 26,529 | 41,001 | 34,765 |
| Non-recurring extraordinary income and charges | (3,681) | 328 | (3,832) | 84 |
| PROFIT BEFORE TAXES | 27,026 | 26,857 | 37,169 | 34,849 |
| Taxes for the year | (8,879) | (6,783) | (9,460) | (7,772) |
| Profits from minority interests | 3 | 2 | 0 | 0 |
| PROFIT FOR THE YEAR PERTAINING TO THE GROUP | 18,144 | 20,072 | 27,709 | 27,077 |

(*) Consolidated Mediolanum Group with "new ventures" Fibanc Group, Gamax Group, Banca Esperia, Mediolanum International Life Ltd, Bankhaus August Lenz & Co. AG (only 2003), Mediolanum Private S.A.M (only 2003), Mediolanum International S.A. (only 2003).

(**) Consolidated Mediolanum Group "core business" only.