

MEDIOLANUM S.P.A.

*QUARTERLY REPORT
AS AT MARCH 31,
2004*



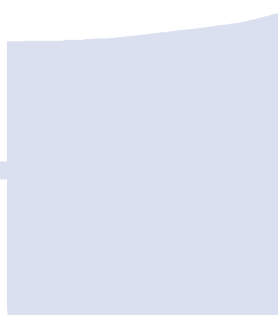
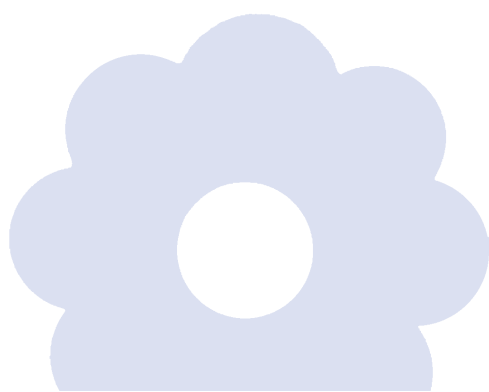
MEDIOLANUM
MEDIOLANUM GROUP

Summary

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MEDIOLANUM S.P.A.

*QUARTERLY REPORT
AS AT MARCH 31,
2004*



MEDIOLANUM
MEDIOLANUM GROUP

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 |
| Pasquale Cannatelli | Director |
| Massimo Antonio Doris | 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

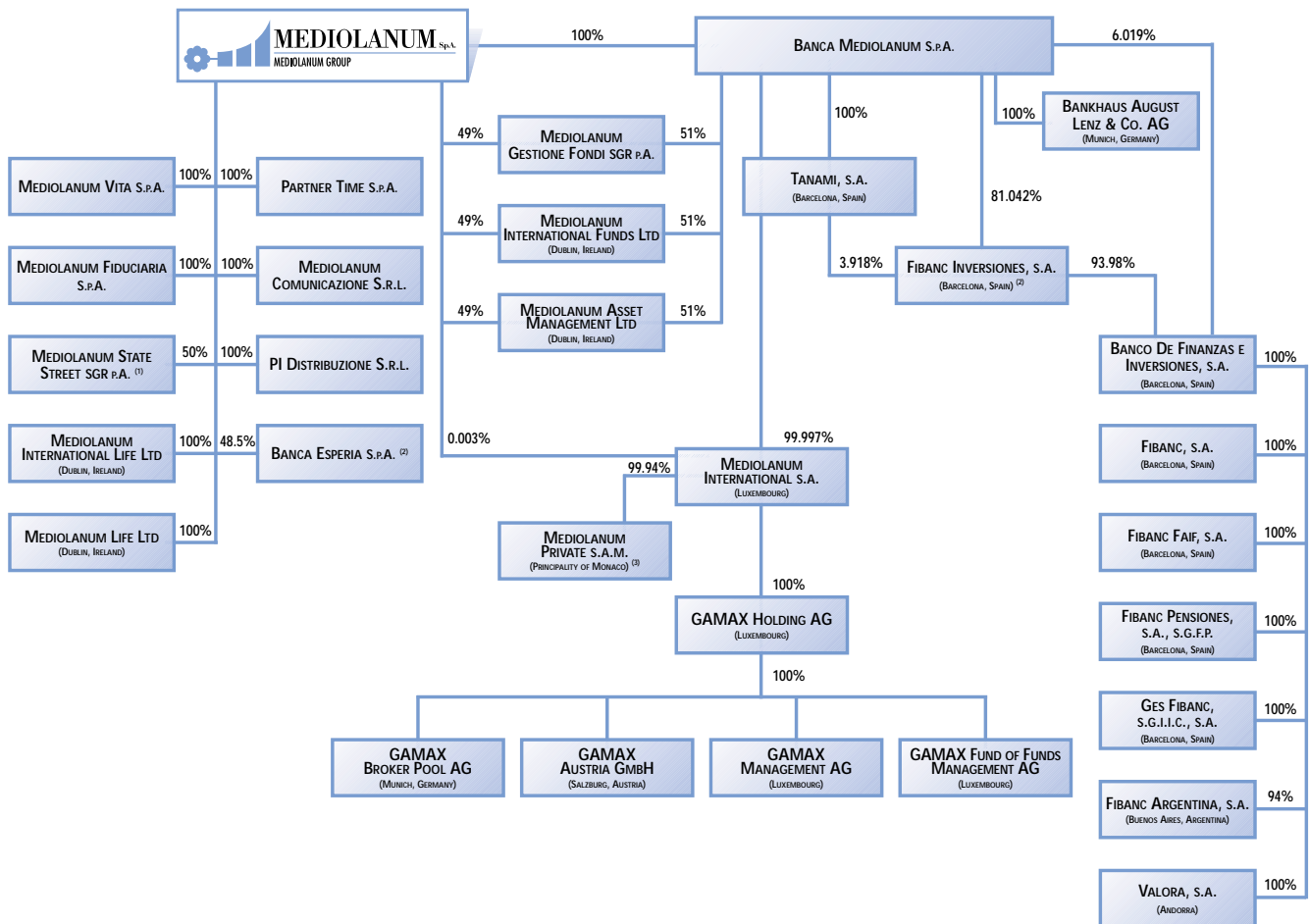
Luca Maria Rovere

INDEPENDENT AUDITORS

Reconta Ernst & Young S.p.A.

Corporate structure

AS AT MARCH 31, 2004



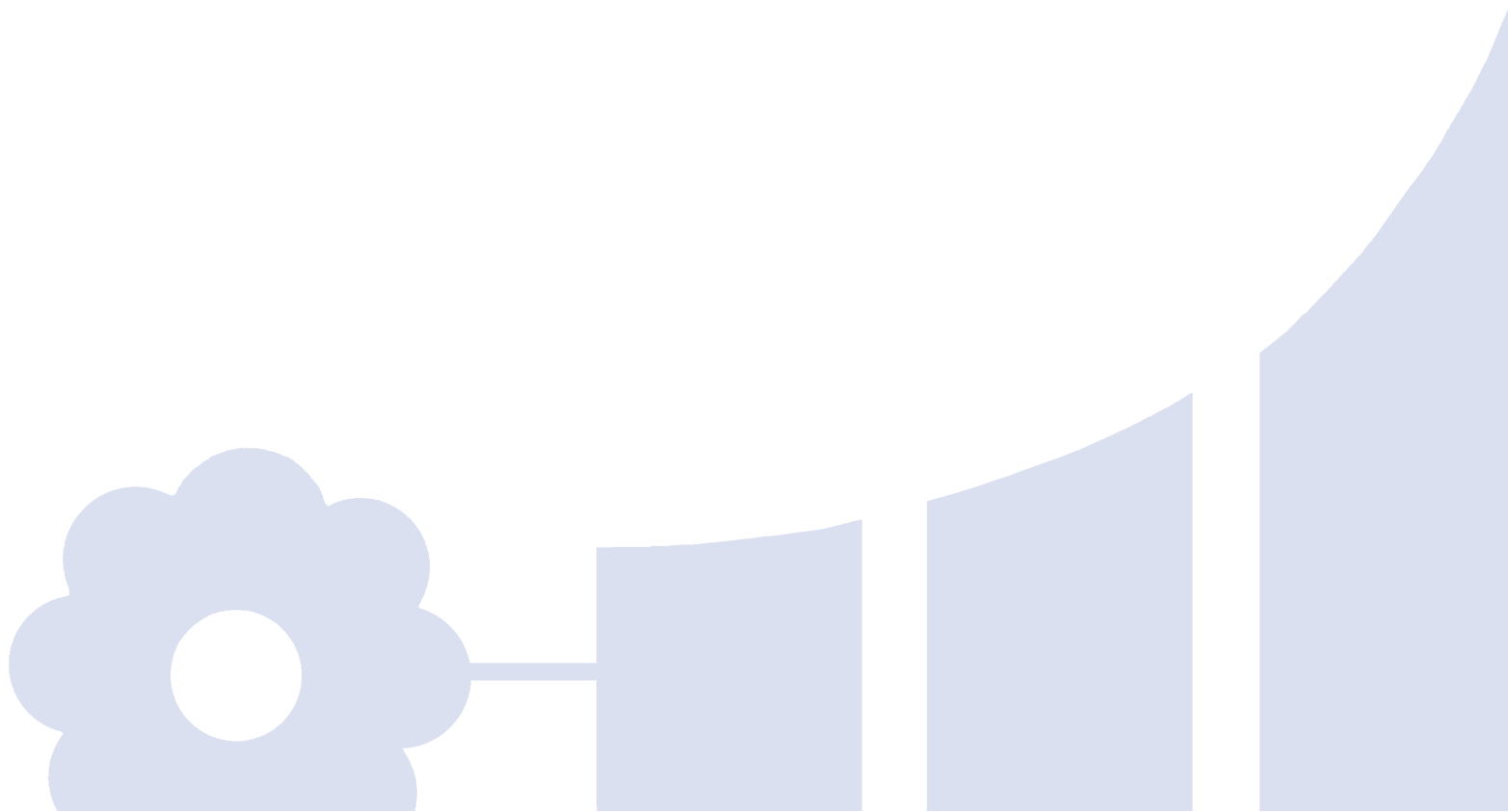
(1) As of March 22, 1999 the remaining 50% of the capital is held by State Street Bank Europe Ltd.

(2) The remaining capital is held by third parties.

(3) The remaining capital is held by Compagnie Monégasque de Banque.

MEDIOLANUM GROUP

*COSOLIDATED
FINANCIAL STATEMENTS
AS AT MARCH 31,
2004*



Balance sheet

ASSETS

| <i>Euro in thousands</i> | 31.03.2004 | 31.12.2003 | 31.03.2003 |
|--|-------------------|------------------|------------------|
| 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 | 7,881 | 8,566 | 13,391 |
| 3. Consolidation difference | 122 | 126 | 139 |
| TOTAL | 8,003 | 8,692 | 13,530 |
| C) Investments | | | |
| I - Land and buildings | 70,576 | 70,800 | 71,364 |
| II - Investments in Group companies and other shareholdings | | | |
| 1. Shares and quotas | 647,909 | 671,843 | 605,286 |
| 2. Bonds | 0 | 0 | 0 |
| 3. Financial loans | 0 | 50,489 | 1,291 |
| TOTAL INVESTMENT IN GROUP COMPANIES AND OTHER COMPANIES | 647,909 | 722,332 | 606,577 |
| III - Other financial investments | | | |
| 1. Shares and quotas | 0 | 0 | 2,538 |
| 2. Mutual fund shares | 49,453 | 46,862 | 42,585 |
| 3. Bonds and other fixed income securities | 984,822 | 1,017,041 | 1,111,419 |
| 4. Financial loans | 12,451 | 13,181 | 16,086 |
| 5. Other financial investments | 72,538 | 2,246 | 8,494 |
| TOTAL OTHER FINANCIAL INVESTMENTS | 1,119,264 | 1,079,330 | 1,181,122 |
| IV - Funds held by ceding companies | 0 | 0 | 0 |
| TOTAL INVESTMENTS | 1,837,749 | 1,872,462 | 1,859,063 |
| D) Investments on behalf of Life policyholders, carrying the risk and from pension fund management | 7,899,925 | 7,187,635 | 5,418,989 |
| D bis) Reinsurers' share of technical reserves | | | |
| I - Non-Life | 0 | 0 | 0 |
| II - Life | 109,581 | 111,525 | 124,665 |
| <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 | 109,581 | 111,525 | 124,665 |
| E) Receivables | | | |
| I - Due from direct insurance operations | 9,149 | 6,287 | 20,869 |
| II - Due from reinsurance operations | 699 | 3 | 1,625 |
| III - Other receivables | 115,456 | 114,797 | 83,465 |
| TOTAL RECEIVABLES | 125,304 | 121,087 | 105,959 |
| F) Other assets | | | |
| I - Tangible assets | 2,022 | 2,231 | 2,987 |
| II - Liquid assets | 307,983 | 284,177 | 267,662 |
| III - Own shares or quotas | 2,092 | 2,092 | 1,432 |
| IV - Other assets | 718 | 321 | 496 |
| TOTAL OTHER ASSETS | 312,815 | 288,821 | 272,577 |
| G) Prepayments and accrued income | 17,460 | 20,698 | 22,104 |
| TOTAL ASSETS | 10,310,837 | 9,610,920 | 7,816,887 |

Euro in thousands

31.03.2004

31.12.2003

31.03.2003

SHAREHOLDERS' EQUITY AND LIABILITIES

A) Capital and reserves

I - Pertaining to the Group:

| | | | |
|---|---------|---------|---------|
| 1. Subscribed capital or equivalent | 72,567 | 72,567 | 72,537 |
| 2. Net equity reserves | 244,397 | 244,397 | 131,131 |
| 3. Consolidation reserve | 112,572 | 112,485 | 118,388 |
| 4. Reserve for difference in valuation regarding shares in non-consolidated companies | 1,394 | 1,394 | 99,210 |
| 5. Reserve for exchange rate difference | 77 | 77 | 77 |
| 6. Reserves for own shares and shares of the parent company | 2,091 | 2,091 | 2,014 |
| 7. Consolidated profit to be allocate | 129,427 | 0 | 82,049 |
| 8. Profit (loss) for the period | 46,586 | 129,427 | 18,144 |

| | | | |
|----------------------------------|---------|---------|---------|
| TOTAL GROUP SHAREHOLDERS' EQUITY | 609,111 | 562,438 | 523,550 |
|----------------------------------|---------|---------|---------|

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 | 609,111 | 562,438 | 523,550 |
|----------------------------|---------|---------|---------|

| | | | |
|------------------------------------|---|---|---|
| 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 | 1,193,038 | 1,224,294 | 1,300,364 |
| 2. Reserve for amounts to be paid | 51,538 | 61,850 | 38,564 |
| 3. Other | 57,201 | 56,613 | 52,571 |

| | | | |
|------------|-----------|-----------|-----------|
| TOTAL LIFE | 1,301,777 | 1,342,757 | 1,391,499 |
|------------|-----------|-----------|-----------|

| | | | |
|--------------------------|-----------|-----------|-----------|
| TOTAL TECHNICAL RESERVES | 1,301,777 | 1,342,757 | 1,391,499 |
|--------------------------|-----------|-----------|-----------|

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

| | | | |
|--|-----------|-----------|-----------|
| | 7,899,483 | 7,187,025 | 5,418,716 |
|--|-----------|-----------|-----------|

| | | | |
|--|--------|--------|--------|
| E) Provisions for risks and charges | 48,760 | 41,814 | 23,358 |
|--|--------|--------|--------|

| | | | |
|---|---------|---------|---------|
| F) Deposits received from reinsurers | 108,185 | 109,000 | 120,760 |
|---|---------|---------|---------|

G) Payables and other liabilities

| | | | |
|--|---------|---------|---------|
| I - Due to direct insurance operations | 2,199 | 3,674 | 3,504 |
| II - Due to reinsurance operations | 235 | 1,544 | 419 |
| III - Debenture loans | 0 | 0 | 0 |
| IV - Amounts owed to credit institutions | 280,000 | 290,000 | 260,000 |
| V - Other loans and other financial debt | 1,130 | 0 | 1,184 |
| VI - Employee termination indemnity | 2,874 | 3,103 | 4,116 |
| VII - Other liabilities | 56,589 | 68,152 | 68,846 |

| | | | |
|--------------------------------------|---------|---------|---------|
| TOTAL PAYABLES AND OTHER LIABILITIES | 343,027 | 366,473 | 338,069 |
|--------------------------------------|---------|---------|---------|

| | | | |
|--|-----|-------|-----|
| H) Accruals and deferred income | 494 | 1,413 | 935 |
|--|-----|-------|-----|

| | | | |
|---|------------|-----------|-----------|
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 10,310,837 | 9,610,920 | 7,816,887 |
|---|------------|-----------|-----------|

Income statement

TECHNICAL ACCOUNT OF LIFE BUSINESS

| <i>Euro in thousands</i> | 31.03.2004 | 31.03.2003 | 31.12.2003 |
|---|------------|------------|-------------|
| 1. Earned premiums, net of reinsurance | 569,811 | 404,375 | 2,124,977 |
| 2. Allocated investment return transferred from the Non-technical account | 9,201 | 10,558 | 40,313 |
| 3. Unrealised gains on investments on behalf of Life policyholders carrying the risk and from pension fund management | 389,182 | 124,098 | 841,673 |
| 4. Other technical income, net of reinsurance | 15,925 | 11,441 | 55,266 |
| 5. Claims incurred, net of amounts recovered and reinsurance | (182,802) | (159,378) | (632,859) |
| 6. Change in mathematical reserves and other technical reserves, net of reinsurance | | | |
| a) Mathematical reserves, premium reserves of complementary insurance | 31,113 | (12,516) | 117,142 |
| b) Life insurance reserves when the risk is carried by policyholders and from pension fund management | (713,734) | 1,902 | (1,836,680) |
| TOTAL CHANGE IN NET RESERVES | (682,621) | (10,614) | (1,719,538) |
| 7. Refunds and profit sharing, net of reinsurance | 0 | 0 | 0 |
| 8. Operating expenses | | | |
| a) Acquisition costs net of reinsurers' commissions and profit sharing | (42,398) | (34,221) | (161,728) |
| b) Administrative expenses | (3,816) | (2,541) | (13,405) |
| TOTAL | (46,214) | (36,762) | (175,133) |
| 9. Unrealised loss on investments on behalf of Life policyholders carrying the risk and from pension fund management | (51,029) | (324,762) | (484,353) |
| 10. Other technical charges, net of reinsurance | (1,673) | (1,455) | (3,182) |
| 11. Total technical account of Life business | 19,780 | 17,501 | 47,164 |

NON-TECHNICAL ACCOUNT

| <i>Euro in thousands</i> | 31.03.2004 | 31.03.2003 | 31.12.2003 |
|---|----------------|-----------------|-----------------|
| 1. Total technical account of Non-Life business | 0 | 0 | 0 |
| 2. Total technical account of Life business | 19,780 | 17,501 | 47,164 |
| 3. Investment income | | | |
| a) Investment income | 47,006 | 31,791 | 169,812 |
| b) Adjustments to the value of financial investments | 1,214 | 1,032 | 1,928 |
| c) Gains on the realisation of investments | 5,878 | 6,005 | 21,334 |
| TOTAL INVESTMENT INCOME | 54,098 | 38,828 | 193,074 |
| 4. Financial burden and losses on assets | | | |
| a) Investment management expense and interest on bank loans | (1,923) | (1,873) | (7,605) |
| b) Adjustments to the value of investments | (1,655) | (8,988) | (2,460) |
| c) Losses on the realisation of investments | (714) | (6,126) | (17,941) |
| TOTAL FINANCIAL BURDEN AND LOSSES ON ASSETS | (4,292) | (16,987) | (28,006) |
| 5. (-) allocated investment return transferred to the technical account of life business | (9,201) | (10,558) | (40,313) |
| 6. Other revenues | 2,128 | 3,983 | 12,125 |
| 7. Other charges | (9,042) | (14,006) | (53,010) |
| 8. Total ordinary operations | 53,471 | 18,761 | 131,034 |
| 9. Extraordinary income | 189 | 7,038 | 13,427 |
| 10. Extraordinary charges | (156) | (3,122) | (6,036) |
| 11. Total extraordinary operations | 33 | 3,916 | 7,391 |
| 12. Profit before taxes | 53,504 | 22,677 | 138,425 |
| 13. Income tax for the period | (6,918) | (4,533) | (8,998) |
| 14. Consolidated results | 46,586 | 18,144 | 129,427 |
| 15. Profit (loss) for the period from minority interests | 0 | 0 | 0 |
| 16. Group profit (loss) for the period | 46,586 | 18,144 | 129,427 |

Notes to the consolidated financial statements as at March 31, 2004

The consolidated financial statements as at March 31, 2004 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 consolidation are consistent with those used in the preparation of the consolidated financial statements as at December 31, 2003.

The consolidation area of the Mediolanum Group was unchanged as compared with December 31, 2003.

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 products |
| 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. | 2,000 | 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 | 0.003 | 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 SGIIC S.A. | 2,506 | 85.86 | Barcelona | Management of mutual funds |
| Fibanc S.A. | 301 | 85.86 | Barcelona | Financial advisory 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 advisory company |
| 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 | 99.997 | 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 | Munich | Fund sales network |
| Gamax Austria GmbH | 40 | 100.00 | Salzburg | Fund sales network |
| Mediolanum Private S.A.M. | 500 | 99.94 | Principality of Monaco | Asset management |

List of companies directly controlled that are valued at cost:

| Company | Share capital | % holding | Office | Activity | |
|-----------------------|---------------|-----------|--------|--------------|--------------------------|
| Mediolanum Life Ltd | Euro | 5 | 100.00 | Dublin | Life insurance |
| Fibanc Argentina S.A. | ARS | 50,000 | 80.70 | Buenos Aires | Business representatives |

List of companies associated to Mediolanum S.p.A. 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, 2003.

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> | 31.03.04 | 31.12.03 | 31.03.03 |
|--|--------------|--------------|---------------|
| Start-up and expansion costs | 587 | 759 | 6,707 |
| Concessions, licences, trademarks and similar rights | 7,071 | 7,477 | 6,263 |
| Improvements on leased goods | 145 | 167 | 203 |
| Intangible assets under formation and advances | 78 | 163 | 218 |
| TOTAL | 7,881 | 8,566 | 13,391 |

“Start-up costs” mainly consist (463 thousands Euro) of “commissions to be returned to reinsurers”, capitalized during the previous 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> | 31.03.04 | 31.12.03 | 31.03.03 |
|---|---------------|---------------|---------------|
| Company buildings | 17,858 | 18,038 | 18,555 |
| Residential buildings leased to third parties | 48,526 | 48,526 | 48,526 |
| Industrial buildings leased to third parties | 4,109 | 4,153 | 4,283 |
| Assets under formation | 83 | 83 | 0 |
| TOTAL | 70,576 | 70,800 | 71,364 |

All buildings owned by Mediolanum Vita S.p.A. are periodically subject to examination, in compliance with Article 18 of Italian Law 173/97 and ISVAP provision No. 1915 G of 20/07/2001. Market value totals 88,108 thousand Euro and is higher than the book value.

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

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

a) “Shares of controlled companies”: this relates to the interest in Mediolanum Life Ltd, valued at cost since it is not yet fully operational, and to Group companies which are not engaged in the transaction of insurance or related business and were therefore evaluated using the equity method, as detailed in the following table:

| <i>Euro in thousands</i> | 31.03.04 | 31.12.03 | 31.03.03 |
|------------------------------------|----------|----------|----------|
| Banca Mediolanum S.p.A. | 421,503 | 405,209 | 391,180 |
| Mediolanum International Funds Ltd | 19,112 | 59,935 | 11,302 |
| Mediolanum Gestione Fondi SGR p.A. | 9,752 | 8,908 | 8,970 |
| Mediolanum Asset Management Ltd | 840 | 1,678 | 626 |
| Mediolanum State Street SGR p.A. | 1,429 | 1,358 | 1,840 |
| Mediolanum Comunicazione S.r.l. | 958 | 1,098 | 883 |
| Mediolanum Fiduciaria S.p.A. | 506 | 513 | 528 |
| PI Distribuzione S.r.l. | 393 | 409 | 272 |
| Mediolanum International S.A. | 2 | 2 | 0 |
| TOTAL | 454,495 | 479,110 | 415,601 |

The value of Banca Mediolanum S.p.A. includes the effect deriving from the evaluation with the equity method of the companies it controls; it therefore takes into account the amortisation of goodwill relating to the interest held in the Fibanc Group, Bankhaus August Lenz & Co. AG and in the Gamax Group.

b) “Fininvest Group shares and quotas” of 114 thousand Euro relate to:

| <i>Euro in thousands</i> | Share capital | % holding | Office |
|--------------------------------|---------------|-----------|-----------------------|
| Consorzio Aeromobili Fininvest | 520 | 22 | Via Paleocapa 3 Milan |

During the first quarter, Mediolanum S.p.A. increased its shareholding in Consorzio Aeromobili Fininvest (from 19% to 22%) for a total cost of 15 thousand Euro.

c) “Shares and quotas in associated companies” refer, for 19,725 thousand Euro, to 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> | 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 173,575 thousand Euro relate to:

| <i>Euro in thousands</i> | 31.03.04 | 31.12.03 | 31.03.03 |
|------------------------------------|----------|----------|----------|
| Mediobanca S.p.A. | 129,907 | 129,907 | 129,907 |
| Consortium S.r.l. | 28,798 | 28,798 | 28,798 |
| SIA S.p.A. | 12,407 | 12,407 | 12,407 |
| Cedacri S.p.A. | 2,364 | 2,364 | 1,357 |
| Nomisma Società di Studi Economici | 71 | 71 | 0 |
| Rita S.r.l. | 14 | 14 | 13 |
| Europa Invest S.A. | 14 | 14 | 14 |
| TOTAL | 173,575 | 173,575 | 172,496 |

and consist of:

| <i>Euro in thousands</i> Company | Share capital | % holding | Office |
|-------------------------------------|---------------|-----------|----------------------------------|
| Mediobanca S.p.A. | 389,275 | 1.813 | Via Filodrammatici 10 Milan |
| Consortium S.r.l. | 561,600 | 3.400 | Via Filodrammatici 10 Milan |
| SIA S.p.A. | 18,124 | 4.999 | Via Taramelli 26 Milan |
| Cedacri S.p.A. | 12,609 | 3.450 | Via Conventino 1 Collecchio (PR) |
| Nomisma Società di Studi Economici | 5,345 | 1.320 | Strada Maggiore 44 Bologna |
| Rita S.r.l. | 5,720 | 0.010 | P.zza S. Babila 1 Milan |
| Europa Invest S.A. | 125 | 14.000 | 4 rue Aldringen Luxembourg |

The variation in the balance of Item C II 3 *Financial loans*, over the previous quarter relates to the expiring of repurchase agreements entered into by Mediolanum Vita S.p.A. with the affiliated company Banca Mediolanum S.p.A..

Item C III *Other financial investments* includes, among other items, Mutual fund shares (item CIII 2) and Bonds and other fixed income securities (item C III 3). The former consist almost exclusively of Italian and foreign funds managed by Mediolanum Gestione Fondi SGR p.A., for 200 thousand Euro, and by Mediolanum International Funds Ltd, for 49,190 thousand Euro; the latter mainly consist of fixed-income securities issued by the Government and public bodies traded on regulated markets.

Item C III *Other financial investments* includes the following investments split by portfolio of destination:

| <i>Euro in thousands</i> | Long-term investments | | Short-term investments | | Total | |
|--|-----------------------|----------------|------------------------|----------------|------------------|------------------|
| | Book value | Current value | Book value | Current value | Book value | Current value |
| 1. Shares and quotas: | 0 | 0 | 0 | 0 | 0 | 0 |
| a) shares traded on regulated markets | | | | | | |
| b) unlisted shares | | | | | | |
| c) quotas | | | | | | |
| 2. Mutual fund shares | 0 | 0 | 49,453 | 49,667 | 49,453 | 49,667 |
| 3. Bonds and other fixed income securities | 652,843 | 647,393 | 331,979 | 332,892 | 984,822 | 980,285 |
| a1) Government securities traded on regulated market | 517,844 | 510,811 | 289,884 | 290,282 | 807,728 | 801,093 |
| a2) other securities traded on regulated markets | 118,956 | 120,155 | 42,093 | 42,608 | 161,049 | 162,763 |
| b1) unlisted Government securities | 698 | 698 | 0 | 0 | 698 | 698 |
| b2) other unlisted securities | 15,345 | 15,729 | 2 | 2 | 15,347 | 15,731 |
| c) convertible bonds | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Other financial investments | 0 | 0 | 12,451 | 12,451 | 12,451 | 12,451 |
| 5. Other | 0 | 0 | 72,538 | 72,638 | 72,538 | 72,638 |
| TOTAL | 652,843 | 647,393 | 466,421 | 467,648 | 1,119,264 | 1,115,041 |

The evaluation of financial investments at current value, that are to remain a part of the Group's assets, shows a potential loss of 8,129 thousand Euro and a potential gain of 2,679 thousand Euro.

The evaluation of financial investments at current value, which will not remain Group assets, shows a potential gain of 1,227 thousand Euro; the write-backs for value adjustments in working capital amount to 1,192 thousand Euro, while the losses through adjustments to the value of financial investments totalled 1,431 thousand Euro.

The financial investments that are not to remain a part of Group's assets amount to 466,421 thousand Euro and consist of:

| <i>Euro in thousands</i> | 31.03.04 | 31.12.03 | 31.03.03 |
|---|----------------|----------------|----------------|
| Shares and quotas | 0 | 0 | 2,538 |
| Shares in mutual funds | 49,453 | 46,862 | 42,585 |
| Bonds and other fixed income securities | 331,979 | 380,458 | 795,132 |
| Financial loans | 12,451 | 13,181 | 16,086 |
| Deposits with credit institutions | 69,537 | 1,105 | 4,404 |
| Other financial investments | 3,001 | 1,141 | 4,090 |
| TOTAL | 466,421 | 442,747 | 864,835 |

Financial loans (item C III 4) consist of:

| <i>Euro in thousands</i> | 31.03.04 | 31.12.03 | 31.03.03 |
|-------------------------------------|----------|----------|----------|
| Secured loans on insurance policies | 11,863 | 12,593 | 15,473 |
| Loans to consultants | 397 | 397 | 397 |
| Other loans | 191 | 191 | 216 |
| TOTAL | 12,451 | 13,181 | 16,086 |

Item III 5 *Other* includes *Deposits with credit institutions* (69,537 thousand Euro) related to deposits subject to time limits greater than 15 days placed by Mediolanum S.p.A. with the controlled company Banca Mediolanum S.p.A.. The item also includes *Other financial investments* related to the full amounts paid under derivatives of Mediolanum Vita S.p.A.. (3,001 thousand Euro).

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

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

| <i>Euro in thousands</i> | 31.03.04 | 31.12.03 | 31.03.03 |
|--|----------|----------|----------|
| Due from policyholders in the year | 6,383 | 2,399 | 16,730 |
| Due from policyholders from previous years' premiums | 528 | 528 | 1,373 |
| Due from intermediaries | 2,228 | 3,349 | 2,750 |
| Due from intermediaries for portfolio compensations | 10 | 11 | 16 |
| TOTAL | 9,149 | 6,287 | 20,869 |

“Coming to maturity rights”, related to fixed operating expenses drawn from assets under administration in Unit Linked funds, were reclassified from “due from policyholders in the year” to “other accrued income”. For purposes of comparison, the maturity rights as at March 31, 2003, totalling 6,951 thousand Euro, have been reclassified.

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

| <i>Euro in thousands</i> | 31.03.04 | 31.12.03 | 31.03.03 |
|--|----------|----------|----------|
| Due from tax authorities | 108,886 | 107,987 | 70,168 |
| Due from Mediolanum Group companies | 3,842 | 2,922 | 4,010 |
| Due from real estate leases | 1,075 | 995 | 1,161 |
| Advances to suppliers and professionals | 415 | 791 | 171 |
| Due from Fininvest Group and Doris Group companies | 140 | 458 | 6,313 |
| Due from employees | 139 | 128 | 153 |
| Guarantee deposits | 82 | 82 | 82 |
| Other receivables | 877 | 1,434 | 1,407 |
| TOTAL | 115,456 | 114,797 | 83,465 |

“Due from Mediolanum Group companies” mainly consists of the receivables related to recharging of costs for employees of Mediolanum S.p.A. seconded out to work for controlled companies valued using the equity method.

“Due from Fininvest Group and Doris Group companies” mainly 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.

“Due from tax authorities” is analysed as follows:

| <i>Euro in thousands</i> | 31.03.04 | 31.12.03 | 31.03.03 |
|--|----------------|----------------|---------------|
| Tax reimbursements | 14,316 | 14,171 | 14,026 |
| Advance payments and amounts brought forward | 58,453 | 58,453 | 39,615 |
| Tax withholdings | 7,644 | 6,870 | 3,344 |
| Tax credits on dividends and mutual funds | 28,012 | 28,012 | 12,816 |
| Other | 461 | 481 | 367 |
| TOTAL | 108,886 | 107,987 | 70,168 |

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

| <i>Euro in thousands</i> | 31.03.04 | 31.12.03 | 31.03.03 |
|-----------------------------------|--------------|--------------|--------------|
| Systems | 18 | 17 | 36 |
| Equipment | 493 | 531 | 605 |
| Electric and electronic equipment | 1,030 | 1,111 | 1,484 |
| Furniture and fittings | 470 | 568 | 852 |
| Other assets | 7 | 0 | 10 |
| Assets under formation | 4 | 4 | 0 |
| TOTAL | 2,022 | 2,231 | 2,987 |

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. (138,808 thousand Euro), with Bankhaus August Lenz & Co. AG (45 thousand Euro) and with other credit institutions for the remaining amount, and are mainly employed in hot money operations of duration under 15 days.

Item F III *Own shares* includes 385,000 shares at a nominal value of 38.5 thousand Euro of Mediolanum S.p.A..

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

| <i>Euro in thousands</i> | 31.03.04 | 31.12.03 | 31.03.03 |
|--------------------------------|---------------|---------------|---------------|
| Accrued interest on securities | 8,905 | 12,691 | 14,201 |
| Accrued rights | 7,785 | 7,485 | 6,951 |
| Other accrued income | 491 | 195 | 495 |
| Prepayments for insurance | 44 | 129 | 45 |
| Prepayments for rent | 2 | 15 | 13 |
| Other prepayments | 233 | 183 | 399 |
| TOTAL | 17,460 | 20,698 | 22,104 |

SHAREHOLDERS' EQUITY AND LIABILITIES

CAPITAL AND RESERVES (ITEMS A - B)

SUMMARY OF THE CHANGES IN
THE INDIVIDUAL ITEMS OF THE
CONSOLIDATED CAPITAL AND
RESERVES DURING THE PERIOD

Changes in consolidated capital and reserves are shown in Attachment 3.

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 at March 31, 2004 | 423,180 | (1,545) | 421,635 |
| Subsequent changes in carrying value and Shareholders' equity of companies included in consolidation | 128,717 | 12,242 | 140,959 |
| Differences in investments valued by the equity method | 122,349 | 40,872 | 163,221 |
| Conversion difference of companies included in consolidation | 77 | 0 | 77 |
| Consolidation with the equity method of companies previously valued at cost | 0 | 0 | 0 |
| Inter-company dividends | 0 | 0 | 0 |
| Inter-company dividends for accrual | (53,357) | 0 | (53,357) |
| Application of Group-wide accounting policies | (2,665) | (129) | (2,794) |
| Elimination of inter-company transactions | (752) | (4) | (756) |
| Amortisation of consolidation differences in the company's equity investments valued using the equity method | (54,227) | (4,787) | (59,014) |
| Amortisation of capital gains attributed to buildings as at the date of acquisition of the company valued using the equity method | (760) | (59) | (819) |
| Amortisation of consolidation difference of companies consolidated on a line-by-line basis | (37) | (4) | (41) |
| Consolidated financial statements at March 31, 2004 | 562,525 | 46,586 | 609,111 |

| <i>Euro in thousands</i> | Capital and reserves | Profit for the period | Total Shareholders' equity |
|---|-------------------------|--------------------------|----------------------------------|
| Parent company financial statements for the year 2003 | 319,126 | 104,054 | 423,180 |
| Subsequent changes in carrying value and Shareholders' equity of companies included in consolidation | 110,944 | 17,773 | 128,717 |
| Differences in investments valued by the equity method | 42,072 | 140,118 | 182,190 |
| Conversion difference of companies included in consolidation | 77 | 0 | 77 |
| Inter-company dividends | 389 | (389) | 0 |
| Inter-company dividends for accrual | 0 | (113,285) | (113,285) |
| Application of Group-wide accounting policies | (3,239) | 574 | (2,665) |
| Elimination of inter-company transactions | (735) | (17) | (752) |
| Amortisation of consolidation differences in the company's equity investments valued using the equity method | (35,078) | (19,149) | (54,227) |
| Amortisation of capital gains attributed to buildings as at the date of acquisition of the company valued using the equity method | (524) | (236) | (760) |
| Amortisation of consolidation difference of companies consolidated on a line-by-line basis | (21) | (16) | (37) |
| Consolidated financial statements for the year 2003 | 433,011 | 129,427 | 562,438 |

| <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, for 3,173 thousand Euro, to interest in the Fibanc Group, for 1,493 thousand Euro to the interest held in the Gamax Group, and for 121 thousand Euro to the 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.

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

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

| <i>Euro in thousands</i> | 31.03.04 | 31.12.03 | 31.03.03 |
|---|------------------|------------------|------------------|
| Technical reserves on unit-linked products | 4,106,570 | 3,706,657 | 2,768,109 |
| Technical reserves on index-linked products | 3,789,226 | 3,477,137 | 2,648,332 |
| Technical reserves resulting from pension fund management | 3,687 | 3,231 | 2,275 |
| TOTAL | 7,899,483 | 7,187,025 | 5,418,716 |

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

| <i>Euro in thousands</i> | 31.03.04 | 31.12.03 | 31.03.03 |
|--------------------------|---------------|---------------|---------------|
| Provision for taxes | 47,767 | 40,868 | 22,795 |
| Other provisions | 993 | 946 | 563 |
| TOTAL | 48,760 | 41,814 | 23,358 |

Provision for taxes is analysed as follows:

| <i>Euro in thousands</i> | 31.03.04 | 31.12.03 | 31.03.03 |
|--|---------------|---------------|---------------|
| Provision for Irpeg-Irap (corporate income tax-tax on productive activities) | 47,554 | 39,587 | 18,929 |
| Provision for deferred taxes | (87) | 961 | 1,893 |
| Provision for taxes for assessments | 300 | 320 | 1,973 |
| TOTAL | 47,767 | 40,868 | 22,795 |

“Provision for deferred taxes” was determined by compensating the balances of prepaid taxes with deferred taxes of the fully consolidated companies and of the consolidation adjustments, according to the legal right to compensate balances as established by accounting principle No. 25 set out by the National Councils of Professional Accountants and Bookkeepers, as illustrated in the following table:

| <i>Euro in thousands</i> | 31.03.04 | 31.12.03 | 31.03.03 |
|--------------------------|----------|----------|----------|
| Deferred taxes | 970 | 1,923 | 2,627 |
| Prepaid taxes | (1,057) | (962) | (734) |
| TOTAL | (87) | 961 | 1,893 |

“Other provisions” is analysed as follows:

| <i>Euro in thousands</i> | 31.03.04 | 31.12.03 | 31.03.03 |
|--|----------|----------|----------|
| Provision for future risks | 464 | 464 | 405 |
| Agents premium loyalty provision | 371 | 324 | 0 |
| Provision against illegal acts by agents | 125 | 125 | 125 |
| Agents loyalty provision | 19 | 19 | 19 |
| Sundry provisions | 14 | 14 | 14 |
| TOTAL | 993 | 946 | 563 |

Item G IV *Amounts owed to credit institutions* is due to the utilisation of loans given to Mediolanum S.p.A. by leading banks.

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

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

| <i>Euro in thousands</i> | 31.03.04 | 31.12.03 | 31.03.03 |
|---|----------|----------|----------|
| Payable to Mediolanum Group companies | 24,831 | 34,069 | 30,459 |
| Taxes | 19,643 | 19,669 | 24,185 |
| Trade accounts | 3,685 | 6,617 | 5,553 |
| Taxes charged to policyholders | 970 | 1,933 | 942 |
| Payable to Fininvest Group and associated companies and Doris Group companies | 539 | 731 | 599 |
| Payable to social security institutions | 296 | 509 | 447 |
| Other liabilities | 3,849 | 2,859 | 5,032 |
| Other | 2,776 | 1,765 | 1,629 |
| TOTAL | 56,589 | 68,152 | 68,846 |

“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 (21,015 thousand Euro).

“Taxes” mainly refers to the allocation for the balance of the tax on mathematical reserves recorded at December 31, 2003 in compliance with Law Decree No. 209 of 24/09/2002 converted into Italian Law No. 265 del 22/11/2002.

“Trade accounts” is analysed as follows:

| <i>Euro in thousands</i> | 31.03.04 | 31.12.03 | 31.03.03 |
|--|--------------|--------------|--------------|
| Services received | 1,910 | 4,125 | 2,858 |
| Invoices to be received | 1,403 | 2,118 | 2,398 |
| Emoluments to Directors and Statutory Auditors | 112 | 218 | 255 |
| Professional services | 260 | 156 | 42 |
| TOTAL | 3,685 | 6,617 | 5,553 |

“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 publishing, communication and transport services. All services are in line with the best market conditions.

“Other liabilities” relate to:

| <i>Euro in thousands</i> | 31.03.04 | 31.12.03 | 31.03.03 |
|---|--------------|--------------|--------------|
| Commissions for unearned premiums | 1,433 | 654 | 1,424 |
| Outstanding earned premiums | 1,272 | 1,265 | 702 |
| Provision for 13 th /14 th month salary and production premiums | 489 | 254 | 1,006 |
| Other payables | 655 | 686 | 1,900 |
| TOTAL | 3,849 | 2,859 | 5,032 |

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

| <i>Euro in thousands</i> | 31.03.04 | 31.12.03 | 31.03.03 |
|--------------------------------------|------------|--------------|------------|
| Accrued expenses | 372 | 1,286 | 705 |
| Deferred income on lease instalments | 122 | 127 | 230 |
| TOTAL | 494 | 1,413 | 935 |

**CONSOLIDATED
INCOME
STATEMENT
INFORMATION**

As at March 31, 2004 some items have been reclassified. In order to assist comparability, also some of the items as at March 31, 2003 have been reclassified.

The main effects of these reclassifications are explained in the following notes.

Gross premiums written is analysed as follows:

| <i>Euro in thousands</i> | Direct operations | Reinsurance operations | Total |
|--|-------------------|------------------------|---------|
| I - Life insurance | 15,837 | 4 | 15,841 |
| II - Marriage and birth insurance | 0 | 0 | 0 |
| III - Unit-linked insurance as per I and II. | 552,519 | | 552,519 |
| IV - Health insurance | 0 | 0 | 0 |
| V - Capitalisation operations | 2,530 | 0 | 2,530 |
| VI - Fund management | 363 | 0 | 363 |
| GROSS PREMIUMS | 571,249 | 4 | 571,253 |

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

| <i>Euro in thousands</i> | 31.03.04 | 31.03.03 | 31.12.03 |
|--------------------------|----------|----------|-----------|
| Single premiums | 337,476 | 208,793 | 687,963 |
| First year premiums | 63,722 | 50,003 | 1,244,213 |
| Subsequent year premiums | 170,051 | 147,310 | 200,473 |
| Indirect premiums | 4 | 5 | 15 |
| (less) Reinsurance ceded | (1,442) | (1,736) | (7,687) |
| NET PREMIUMS | 569,811 | 404,375 | 2,124,977 |

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

Other technical income, net of reinsurance, includes gains related to fixed management commissions in unit link funds and management commissions accepted as payable from Mediolanum International Funds Ltd to Mediolanum Vita S.p.A. As at March 31, 2003 the former was included in *Unrealised loss on investments on behalf of life policyholders carrying the risk* (3,517 thousand Euro) and the latter was included in *Other Revenues* (3,574 thousand Euro). For purposes of comparison, the 2003 amounts have been reclassified.

The increase in *Other technical income, net of reinsurance* is mainly due to management commissions recognized from Mediolanum International Funds Ltd to Mediolanum Vita S.p.A..

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 43,469 thousand Euro were not consolidated. The remaining acquisition commissions after consolidation cancellations were those commissions paid to Banca Mediolanum S.p.A. (39,305 thousand Euro), Banco de Finanzas e Inversiones S.A. (2,005 thousand Euro), Mediolanum Gestione Fondi SGR p.A. (372 thousand Euro), and Bankhaus August Lenz & Co. AG (145 thousand Euro).

**INFORMATION
ON THE NON-TECHNICAL
ACCOUNT**

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

| <i>Euro in thousands</i> | 31.03.04 | 31.03.03 | 31.12.03 |
|---|---------------|---------------|----------------|
| Quotas in results for the year on investments valued by the equity method | 35,891 | 17,504 | 122,712 |
| Income from land and buildings | 409 | 593 | 2,650 |
| Shares in mutual funds | 0 | 34 | 194 |
| Bonds and other fixed income securities | 9,555 | 12,009 | 38,421 |
| Deposits at credit institutions | 983 | 1,459 | 5,243 |
| Other financial investments | 20 | 0 | 0 |
| Financial loans | 148 | 192 | 592 |
| TOTAL | 47,006 | 31,791 | 169,812 |

Proceeds from “deposits at credit institutions” include interest from deposits at Banca Mediolanum S.p.A. totalling 491 thousand Euro.

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

| <i>Euro in thousands</i> | 31.03.04 | 31.03.03 | 31.12.03 |
|---|--------------|--------------|--------------|
| Shares and quotas | 0 | 20 | 0 |
| Shares in mutual funds | 490 | 74 | 718 |
| Bonds and other fixed income securities | 724 | 938 | 1,210 |
| TOTAL | 1,214 | 1,032 | 1,928 |

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

| <i>Euro in thousands</i> | 31.03.04 | 31.03.03 | 31.12.03 |
|---|--------------|--------------|---------------|
| Shares and quotas | 0 | 0 | 457 |
| Bonds and other fixed income securities | 5,876 | 4,597 | 15,388 |
| Other financial investments | 2 | 1,408 | 5,489 |
| TOTAL | 5,878 | 6,005 | 21,334 |

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

| <i>Euro in thousands</i> | 31.03.04 | 31.03.03 | 31.12.03 |
|---|--------------|--------------|--------------|
| Management expenses from real estate investments | 123 | 206 | 897 |
| Other investment management expenses | 659 | 327 | 1,762 |
| Interest on deposit accounts with reinsurance companies | 1,133 | 1,324 | 4,905 |
| Interest payable | 8 | 16 | 41 |
| TOTAL | 1,923 | 1,873 | 7,605 |

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

| <i>Euro in thousands</i> | 31.03.04 | 31.03.03 | 31.12.03 |
|---|--------------|--------------|--------------|
| Building depreciation | 224 | 224 | 895 |
| Shares and quotas | 0 | 855 | 0 |
| Mutual funds | 20 | 557 | 53 |
| Financial derivatives | 549 | 346 | 141 |
| Bonds and other fixed income securities | 862 | 7,006 | 1,371 |
| TOTAL | 1,655 | 8,988 | 2,460 |

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

| <i>Euro in thousands</i> | 31.03.04 | 31.03.03 | 31.12.03 |
|---|------------|--------------|---------------|
| Shares and quotas | 0 | 0 | 54 |
| Mutual funds | 0 | 0 | 0 |
| Bonds and other fixed income securities | 262 | 2,556 | 7,295 |
| Other financial investments | 452 | 3,570 | 10,592 |
| TOTAL | 714 | 6,126 | 17,941 |

Other revenues (item 6) is analysed as follows:

| <i>Euro in thousands</i> | 31.03.04 | 31.03.03 | 31.12.03 |
|--|--------------|--------------|---------------|
| Commission income for the sale of non-Life policies | 968 | 897 | 4,185 |
| Recharge of cost of employees seconded to Mediolanum Group companies valued by the equity method | 526 | 2,189 | 4,675 |
| Recharge of cost of employees seconded to Fininvest Group and Doris Group companies | 60 | 130 | 340 |
| Recuperation of costs | 42 | 104 | 693 |
| Interest from the tax authorities | 145 | 158 | 304 |
| Utilisation of provision for specific risks | 0 | 0 | 17 |
| Other revenues | 387 | 505 | 1,911 |
| TOTAL | 2,128 | 3,983 | 12,125 |

For purposes of comparison, gains related to fixed management commissions in unit link funds and management commissions recognized from Mediolanum International Funds Ltd to Mediolanum Vita S.p.A. at March 31, 2003, totalling 3,574 thousand Euro have been reclassified.

“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 interest receivable amounting to 265 thousand Euro, of which 209 thousand Euro with Banca Mediolanum S.p.A.

Other costs (item 7) consist of:

| <i>Euro in thousands</i> | 31.03.04 | 31.03.03 | 31.12.03 |
|---|----------|----------|----------|
| Interest on financial payables | 1,759 | 2,361 | 8,019 |
| Commission income for the sale of non-Life policies | 967 | 897 | 4,185 |
| Cost of Mediolanum S.p.A. employees | 1,789 | 4,672 | 15,747 |
| Other administrative expenses of Mediolanum S.p.A. | 3,314 | 3,173 | 11,198 |
| Amortisation of intangible assets | 976 | 2,722 | 11,434 |
| Accruals to the bad debts fund | 0 | 0 | 0 |
| Other costs | 237 | 181 | 2,427 |
| TOTAL | 9,042 | 14,006 | 53,010 |

Extraordinary income (item 9) is analysed as follows:

| <i>Euro in thousands</i> | 31.03.04 | 31.03.03 | 31.12.03 |
|---|----------|----------|----------|
| Gain on the sale of long-term investments | 0 | 0 | 0 |
| Gain on the sale of assets | 12 | 0 | 3 |
| Gain on the sale of bonds and other fixed-income securities | 118 | 6,980 | 12,962 |
| Other extraordinary income | 0 | 0 | 0 |
| Out of period revenues | 59 | 58 | 462 |
| TOTAL | 189 | 7,038 | 13,427 |

Extraordinary charges (item 10) is analysed as follows:

| <i>Euro in thousands</i> | 31.03.04 | 31.03.03 | 31.12.03 |
|---|----------|----------|----------|
| Loss on the sale of assets | 0 | 0 | 0 |
| Loss on the sale of bonds and other fixed-income securities | 0 | | 292 |
| Tax amnesty charges | 0 | 2,799 | 3,510 |
| Out of period expenses | 156 | 323 | 2,234 |
| TOTAL | 156 | 3,122 | 6,036 |

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

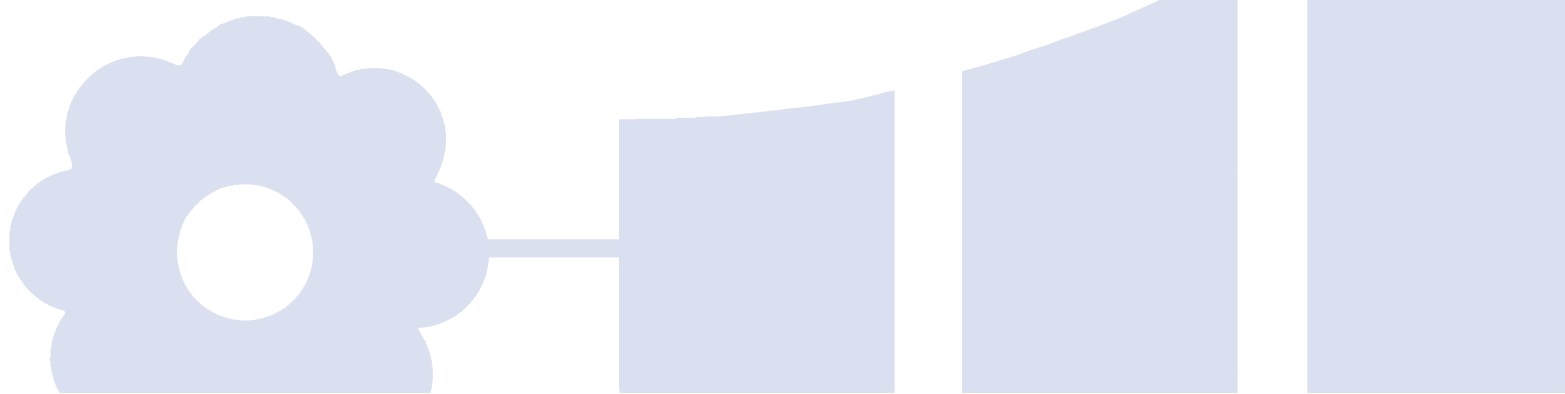
For the Board of Directors

Roberto Ruozi

Chairman

MEDIOLANUM GROUP

ATTACHMENTS



ATTACHMENT 1

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

Euro in thousands

| Intangible assets | Opening situation | | | |
|--|-------------------|-------------------------|--------------------------|------------|
| | Historic cost | Cumulative Amortisation | Balance as at 01.01.2004 | Additions |
| Start-up and expansion costs | 44,791 | (44,032) | 759 | 0 |
| Concessions, licences, trademarks and similar rights | 23,140 | (15,663) | 7,477 | 287 |
| Improvements on leased properties | 2,673 | (2,506) | 167 | 0 |
| Intangible assets in progress | 163 | 0 | 163 | 0 |
| Consolidation difference | 164 | (38) | 126 | 0 |
| TOTAL | 70,931 | (62,239) | 8,692 | 287 |

ATTACHMENT 2

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

Euro in thousands

| Land and buildings | Opening situation | | | |
|---------------------------------|-------------------|-------------------------|--------------------------|-----------|
| | Historic cost | Cumulative Depreciation | Balance as at 01.01.2004 | Additions |
| Land and buildings | 78,385 | (7,668) | 70,717 | 0 |
| Tangible assets in progress | 83 | 0 | 83 | 0 |
| TOTAL LAND AND BUILDINGS | 78,468 | (7,668) | 70,800 | 0 |

Euro in thousands

| Other tangible fixed assets | Opening situation | | | |
|--|-------------------|-------------------------|--------------------------|-----------|
| | Historic cost | Cumulative Depreciation | Balance as at 01.01.2004 | Additions |
| Plant and machinery | 221 | (204) | 17 | 4 |
| Industrial and trade equipment | 1,728 | (1,197) | 531 | 0 |
| Other tangible fixed assets | 14,181 | (12,502) | 1,679 | 65 |
| Fixed assets in progress | 4 | 0 | 4 | 0 |
| TOTAL OTHER TANGIBLE FIXED ASSETS | 16,134 | (13,903) | 2,231 | 69 |

| Movements for the period | | | Closing situation | | |
|--------------------------|--------------|-----------------------|-------------------|-------------------------|--------------------------|
| Net disposals | Amortisation | Net reclassifications | Historic cost | Cumulative Amortisation | Balance as at 31.03.2004 |
| 0 | (172) | 0 | 44,791 | (44,204) | 587 |
| 0 | (778) | 85 | 23,512 | (16,441) | 7,071 |
| 0 | (22) | 0 | 2,673 | (2,528) | 145 |
| 0 | 0 | (85) | 78 | 0 | 78 |
| 0 | (4) | 0 | 164 | (42) | 122 |
| 0 | (976) | 0 | 71,218 | (63,215) | 8,003 |

| Movements for the period | | | Closing situation | | |
|--------------------------|--------------|-----------------------|-------------------|-------------------------|--------------------------|
| Net disposals | Depreciation | Net reclassifications | Historic cost | Cumulative Depreciation | Balance as at 31.03.2004 |
| 0 | (224) | 0 | 78,385 | (7,892) | 70,493 |
| 0 | 0 | 0 | 83 | 0 | 83 |
| 0 | (224) | 0 | 78,468 | (7,892) | 70,576 |

| Movements for the period | | | Closing situation | | |
|--------------------------|--------------|-----------------------|-------------------|-------------------------|--------------------------|
| Net disposals | Depreciation | Net reclassifications | Historic cost | Cumulative Depreciation | Balance as at 31.03.2004 |
| 0 | (3) | 0 | 225 | (207) | 18 |
| 0 | (38) | 0 | 1,728 | (1,235) | 493 |
| 0 | (237) | 0 | 14,246 | (12,739) | 1,507 |
| 0 | 0 | 0 | 4 | 0 | 4 |
| 0 | (278) | 0 | 16,203 | (14,181) | 2,022 |

ATTACHMENT 3

ANALYSIS OF SHAREHOLDERS' EQUITY AS AT MARCH 31, 2003

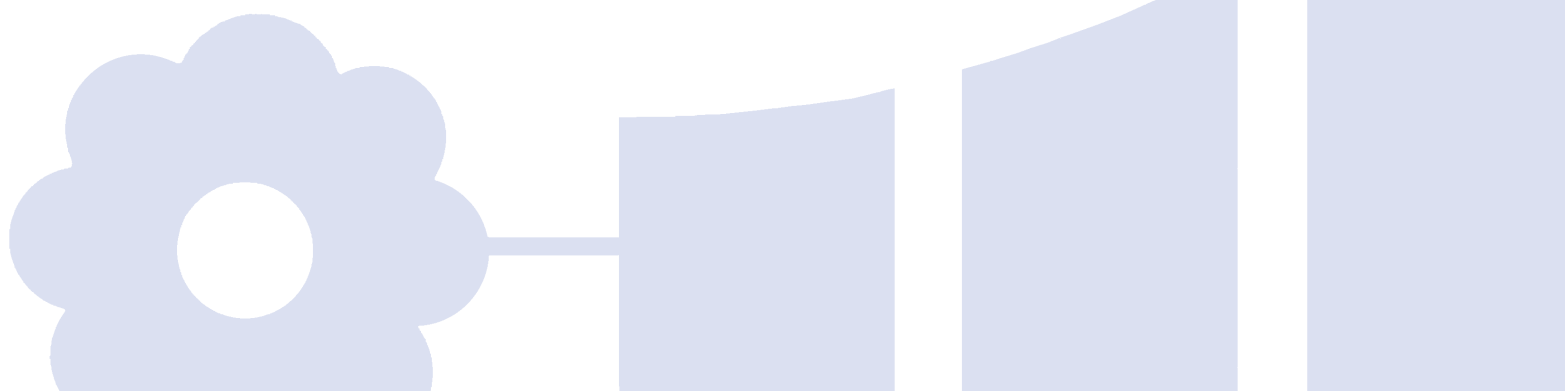
| <i>Euro in thousands</i> | 31.03.2004 | 31.12.2003 | 31.03.2003 |
|---|------------|------------|------------|
| Subscribed capital or equivalent | 72,567 | 72,567 | 72,537 |
| Net equity reserves | 244,397 | 244,397 | 131,131 |
| Consolidation reserve | 112,572 | 112,485 | 118,388 |
| Reserve for difference in valuation regarding shares in non-consolidated companies | 1,394 | 1,394 | 99,210 |
| Reserve for exchange rate difference | 77 | 77 | 77 |
| Reserves for own shares and shares of the parent company | 2,091 | 2,091 | 2,014 |
| Consolidated profit to be allocate | 129,427 | 0 | 82,049 |
| Profit (loss) for the period | 46,586 | 129,427 | 18,144 |
| TOTAL GROUP SHAREHOLDERS' EQUITY | 609,111 | 562,438 | 523,550 |

ATTACHMENT 4**CONSOLIDATED CASH
FLOW STATEMENT
AS AT MARCH 31, 2003**

| | |
|---|----------------|
| A) SOURCE OF FINANCE | |
| Cash flows generated by operations: | |
| Group profit (loss) for the period | 46,586 |
| Change in technical reserves net of reinsurance | 673,422 |
| Amortisation, depreciation of tangible and intangible assets | 1,478 |
| Net provision for risks and charges | 6,946 |
| Net change in employee termination indemnity | (229) |
| Net change in other receivables and payables and other assets and liabilities | (26,327) |
| TOTAL CASH FLOW GENERATED BY OPERATIONS | 701,876 |
| Increase in Consolidation reserve | 87 |
| TOTAL CASH FLOW GENERATED | 701,963 |
| B) APPLICATION OF FUNDS | |
| Increase in tangible and intangible assets | 356 |
| Increase in equity investments | 658,728 |
| Increase in other financial investments | 19,073 |
| TOTAL APPLICATION OF FUNDS | 678,157 |
| C) CASH FLOW FOR THE PERIOD (A-B) | 23,806 |
| D) Cash and liquid assets (opening balance) | 284,177 |
| E) Cash and liquid assets (closing balance) | 307,983 |
| F) CHANGE IN CASH AND LIQUID ASSETS (E-D) | 23,806 |

MEDIOLANUM GROUP

*DIRECTORS' REPORT
ON THE FINANCIAL
STATEMENTS
AS AT MARCH 31,
2004*



The Mediolanum Group in the 1st quarter 2004

PERFORMANCE OF THE GROUP

The Mediolanum Group closed the 1st Quarter 2004 with significant net profits for the period totalling 46,586 thousand Euro (+156%; 31.03.2003: 18,144 thousand Euro) after discounting taxes for 6,918 thousand Euro.

The main factors underlying this result are an increase in gross inflows (+39% Life insurance products; +11% managed products), a general growth in commission revenues and in earnings from the management of traditional reserves, thanks to improved trends in financial markets compared to last year. The quarterly result confirms the positive trend already registered in the second part of last year (4th quarter 2004: +39 million Euro).

The phase of economic growth started last year continued also during 2004 at a steady pace, though with different levels of intensity in the different geographic areas.

In the 1st quarter 2004, GDP rose by 4.2% in the United States, against 4.1% of the 4th quarter 2003, with all economic sectors growing; the enhanced economic context was also accompanied by an improvement in the labour market conditions which, according to analysts' estimates, should have a positive impact also on the future dynamics of private consumption.

In the Asiatic region, China's GDP continues to rocket, and the economic development of those countries mainly depending on exports to the United States continues at full pace; moreover, the Japanese economy is starting to recover after a decade of stagnation.

On the contrary, the European economy is sluggish, influenced as it is by structural rigidities and by a rate of exchange of the Euro against the main currencies that does not favour exports: the growth estimates, with the exception of the United Kingdom, whose economy is more in keeping with the U.S. economy, are very modest.

Moreover, the sky-rocketing oil prices and the relevant consequences in terms of inflation growth rule out the chance of a monetary policy action by the European Central bank to support economic growth.

Domestic economy is no exception to the rule, penalised as it is by a worsening of the Euro exchange rates, especially in the sectors mainly linked to production of goods destined for export.

The confirmation of a progressive improvement in the economic context were positively welcomed by the international financial markets which, in the first months of the year, registered a further rise in stock prices, in spite of a marked volatility; also bond values are on the rise, throughout all maturity date yields.

The macroeconomic context is not expected to change in the next few months: economic growth, low interest rates and the high level of liquidity in the system foster stock investments, whose risk/return profile, according to estimates, is more competitive than that of other forms of investments.

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., the Gamax Group, Mediolanum Private S.A.M., Bankhaus August Lenz & Co. AG and Banca Esperia S.p.A. is covered below.

The results, net of the New Ventures, (Fibanc Group, Gamax Group, Bankhaus August Lenz & Co. AG, Banca Esperia S.p.A.) was 53,801 thousand Euro (31.03.2003: 27,709 thousand Euro), a 94.16% increase over the same period in 2003.

The performance and the results of the New Ventures are addressed in a separate section.

PERFORMANCE
OF THE SECTORS WHERE
THE GROUP OPERATES

MEDIOLANUM
GROUP EXCLUDING
NEW VENTURES
(CORE BUSINESS)

The total number of customers – both current account holders and holders of financial/insurance products placed by Banca Mediolanum – was 780,700 at the end of March (31.03.2003: 757,700).

As at March 31, 2004, current accounts were 331,639 (31.12.2003: 332,700; 31.03.2003: 335,134).

Inflows from customers registered a negative balance of 104.1 million Euro, against a negative balance of 11.1 million Euro at March 31, 2003. The change in the current account remuneration policy introduced in the second part of the year contributed to this result.

Assets under administration at March 31, 2004 totalled 4,489.9 million Euro (31.12.2003: 4,664 million Euro; 31.03.2003: 4,978.8 million Euro), a 3.7% decrease compared to December 31, 2003.

BANKING ACTIVITY

Lending to customers, private individuals and financial institutions totalled 335.2 million Euro at March 31, 2004, a 42% increase over March 31, 2003 (235.7 million Euro) and a 6% decrease against December 31, 2003 (356.6 million Euro).

In the first quarter 2004, the placing of home loans issued by Unicredit Banca per la casa S.p.A. (formerly Abbey National Bank Plc) continued successfully among the Group customers for a total of 115.7 million Euro (31.03.2003: 43.8 million Euro).

Regarding the bank's profitability, the interest margin totalled 11,539 thousand Euro, against 12,222 thousand Euro at March 2003; the reasons underlying this decrease are related to the general fall in interest rates.

Banca Mediolanum S.p.A.'s quarterly result is influenced by adjustments to the value of investments for 2,200 thousand Euro, following a contribution of capital to cover operating losses in favour of the controlled company Bankhaus August Lenz & Co. AG.

The result, net of these items, slightly decreased over the previous year, largely because of the increased fiscal burden following the amendments introduced by the new fiscal reform that, among other things, abolished the DIT (dual income tax).

Results 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 04 | 1 st Q 03 | 31.12.2003 |
|--------------------------|----------------------|----------------------|------------|
| Banca Mediolanum S.p.A. | 783 | 3,376 | 45,010 |

Banca Mediolanum S.p.A.'s profit is in line with expectations.

**MUTUAL FUNDS AND
MANAGED ACCOUNTS**

In the first quarter 2004, total gross inflows for the mutual fund and managed account business amounted to 451.8 million Euro (31.03.2003: 406.1 million Euro), whereas the balance of net inflows was positive for 56.5 million Euro (31.03.2003: 138.2 million Euro).

Total assets under administration at March 31, 2004 totalled 10,668.8 million Euro (31.12.2003: 10,007.5 million Euro; 31.03.2003: 8,256.4 million Euro), a 6.6% increase over December 31, 2003, and a 29.2 % increase over the same period in the previous year.

Results 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 04 | 1 st Q 03 | 31.12.2003 |
|------------------------------------|----------------------|----------------------|------------|
| Mediolanum Gestione Fondi SGR p.A. | 1,722 | 413 | 6,897 |
| Mediolanum International Funds Ltd | 36,465 | 20,526 | 119,778 |

The improvement in the company’s period results compared to the previous year relates to higher management and performance commissions, mainly resulting from an increase in the value of assets under administration, partly thanks to an upturn in prices of securities.

Gross inflows for the quarter totalled 549.1 million Euro, a 38.8% increase over the first quarter 2003 (395.6 million Euro). New business amounted to 355.8 million Euro, a 58.5% increase over the same period in the previous year (224.5 million Euro).

THE LIFE BUSINESS

Deferred annuities reached 39.8 million Euro, a 50.2% increase over the first quarter of the previous year (26.5 million Euro).

Single premiums increased 59.6% over the same period in the previous year, reaching an overall value of 316 million Euro (31.03.2003: 198 million Euro).

Results 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 04 | 1 st Q 03 | 31.12.2003 |
|-----------------------------------|----------------------|----------------------|------------|
| Mediolanum Vita S.p.A. | 11,627 | 6,166 | 14,865 |
| Partner Time S.p.A. | 2 | 686 | 1,548 |
| Mediolanum International Life Ltd | 613 | (341) | 1,361 |

As for “New Ventures”, Mediolanum International Life Ltd places its insurance products on the Spanish market through the Fibanc Group network, and on the German market through the Gamax Group and Bankhaus August Lenz networks. Inflows for the quarter totalled 22.1 million Euro, more than double the result of the first quarter 2003 (10.5 million Euro).

Profits of companies operating in the Life business are in line with expectations, despite the decreasing premium inflows.

OTHER PRODUCTS

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

| <i>Euro in thousands</i> | 1 st Q 04 | 1 st Q 03 | 31.12.2003 |
|----------------------------------|----------------------|----------------------|------------|
| Mediolanum Asset Management Ltd | 815 | 377 | 2,525 |
| Mediolanum State Street SGR p.A. | 142 | 196 | 608 |
| Mediolanum Comunicazione S.r.l. | (140) | (103) | 113 |
| Mediolanum Fiduciaria S.p.A. | (6) | (10) | (26) |
| PI Distribuzione S.r.l. | (16) | (133) | 4 |

NEW VENTURES

FIBANC GROUP

During the first quarter, the network recruiting activity continued, bringing the number of agents to 560 at the end of March, compared to 398 in the previous year. Sole licensed financial advisors, on the model of Banca Mediolanum S.p.A., totalled 407 at March 31, 2004 (they were 264 at 31.03.2003); the recruiting process is in line with expectations and with the numbers budgeted.

At the same time, the training activities also continued, with a special emphasis on the new products and on the notion of Global Advisory Service typical of the Mediolanum model.

The number of *Introducers*, deemed non-strategic for the implementation of the Mediolanum model, gradually decreased to 114 (31.03.2003: 260).

The sales activity focused on products with an accumulation plan, both for Life and managed products.

Procedures were concluded to obtain the authorisation to commercialise "Challenge" funds managed by the company Mediolanum International Funds Ltd in Spain, thus completing the range of mutual funds offered in this country.

In order to face up to the development commitments set forth in the three-year plan, the Board of Directors of the controlled company Banco de Finanzas e Inversiones S.A. put forward the proposal to increase share capital by 20 million Euro in March 2004.

Volumes of the Fibanc Group

| <i>Euro millions</i> | 1 st Q 04 | 1 st Q 03 | 31.12.2003 |
|-----------------------------|----------------------|----------------------|------------|
| Assets under administration | 1,965.9 | 1,835.9 | 1,942 |
| Gross inflows | 78.3 | 177.2 | 538 |
| Net inflows | 0.8 | 88.7 | 145 |

Employees

| Units | 1 st Q 04 | 1 st Q 03 | 31.12.2003 |
|----------------------|----------------------|----------------------|------------|
| Clerical personnel * | 221 | 255 | 221 |
| Managers | 17 | 19 | 19 |
| TOTAL | 238 | 274 | 240 |

(*) At 31.03.2003 and 31.12.2003, data included 9 and 5 sales employees, respectively.

Results of the Fibanc Group

| Euro in thousands | 1 st Q 04 | 1 st Q 03 | 31.12.2003 |
|-------------------|----------------------|----------------------|------------|
| Fibanc Group | 288 | 358 | 544 |

The Luxembourg-based company carries out sub-holding activities, coordinating the activities 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.**

Results of Mediolanum International S.A.

| Euro in thousands | 1 st Q 04 | 1 st Q 03 | 31.12.2003 |
|-------------------------------|----------------------|----------------------|------------|
| Mediolanum International S.A. | (177) | 95 | (8,924) |

Despite the negative result of net inflows for the quarter (-13.0 million Euro), the Gamax Group closed the quarter with a profit of 695 thousand Euro, against a loss of 345 thousand Euro in the same period of the previous year. This result was possible thanks to the cost optimisation policy implemented last year relying upon Group synergies.

GAMAX GROUP

I volumi del Gruppo Gamax

| Euro millions | 1 st Q 04 | 1 st Q 03 | 31.12.2003 |
|-----------------------------|----------------------|----------------------|------------|
| Assets under administration | 427.4 | 400.6 | 430.1 |
| Gross inflows * | 32.5 | 31.6 | 113.4 |
| Net inflows | (13.0) | 2.7 | (14.2) |

(*) Data at 31.03.2003 referred to own funds only. For comparative purposes, last quarter's value was adjusted to include third party funds.

Employees

| <i>Units</i> | 1 st Q 04 | 1 st Q 03 | 31.12.2003 |
|--------------|----------------------|----------------------|------------|
| Impiegati | 21 | 40 | 24 |
| Dirigenti | 5 | 6 | 5 |
| TOTAL | 26 | 46 | 29 |

The sales network consists of 577 independent financial agents, of whom 468 were in Germany (31.03.2003: 912) and 109 in Austria (31.03.2003: 120).

Results of the Gamax Group

| <i>Euro in thousands</i> | 1 st Q 04 | 1 st Q 03 | 31.12.2003 |
|--------------------------|----------------------|----------------------|------------|
| Gruppo Gamax | 695 | (345) | (293) |

MEDIOLANUM PRIVATE S.A.M.

This company, based in the Principality of Monaco, is 99.94% controlled by Mediolanum International S.A.

As indicated in the Directors' report to the financial statements at December 31, 2003, the company will be wound-up in the current year, since it is no longer deemed strategic for the Mediolanum Group.

Results of Mediolanum Private S.A.M.

| <i>Euro in thousands</i> | 1 st Q 04 | 1 st Q 03 | 31.12.2003 |
|---------------------------|----------------------|----------------------|------------|
| Mediolanum Private S.A.M. | (123) | (107) | (7) |

Volumes of Mediolanum Private S.A.M.

| <i>Euro millions</i> | 1 st Q 04 | 1 st Q 03 | 31.12.2003 |
|-----------------------------|----------------------|----------------------|------------|
| Assets under administration | 14.7 | 7.5 | 14.2 |
| Gross inflows | 0.5 | 1.5 | 10.0 |
| Net inflows | (0.6) | 1.4 | 8.0 |

The operating structures consists of 1 manager and 1 employee.

BANKHAUS AUGUST LENZ & CO. AG

During the quarter, significant inflows derived from the promotion of current account products at privileged conditions.

The sales network at the end of the 1st quarter 2004 consisted of 83 exclusive agents (31.03.2003: 63).

Results of Bankhaus August Lenz & Co. AG

| <i>Euro in thousands</i> | 1 st Q 04 | 1 st Q 03 | 31.12.2003 |
|-------------------------------|----------------------|----------------------|------------|
| Bankhaus August Lenz & Co. AG | (160) | (1,761) | (74) |

The company closed the quarter with a loss of 160 thousand Euro, after having covered operating losses by 2,200 thousand Euro.

Volumes of Bankhaus August Lenz & Co. AG

| <i>Euro millions</i> | 1 st Q 04 | 1 st Q 03 | 31.12.2003 |
|-----------------------------|----------------------|----------------------|------------|
| Assets under administration | 177.3 | 1.6 | 73.8 |
| Gross inflows | 104.0 | 1.4 | 74.8 |
| Net inflows | 103.6 | 1.4 | 74.8 |

Employees

| <i>Units</i> | 1 st Q 04 | 1 st Q 03 | 31.12.2003 |
|--------------------|----------------------|----------------------|------------|
| Clerical personnel | 31 | 20 | 30 |
| Managers | 4 | 2 | 2 |
| TOTAL | 35 | 22 | 32 |

In the first quarter 2004, the Banking Group Banca Esperia registered a significant positive result of 1,372 thousand Euro, against a loss of 2,094 thousand Euro at March 31, 2003.

Inflows continue to feature a positive trend, with net inflows standing at 308 million Euro (31.03.2003: 454 million Euro), while assets under administration reached 3,448 million Euro compared to 2,579 million Euro in the previous year (+33.7%).

**BANKING GROUP
BANCA ESPERIA**

Volumes of the Banking Group Banca Esperia

| <i>Euro millions</i> | 1 st Q 04 | 1 st Q 03 | 31.12.2003 |
|------------------------------|----------------------|----------------------|------------|
| Assets under administration* | 3,448.0 | 2,579.2 | 3,102.0 |
| Gross inflows | 338.0 | 679.6 | 2,421.0 |
| Net inflows | 308.0 | 454.0 | 1,148.0 |

(*) The value of assets managed net of SICAV subscribed by Banca Esperia clients within individual management programs.

Results of the Banking Group Banca Esperia

| <i>Euro in thousands</i> | 1 st Q 04 | 1 st Q 03 | 31.12.2003 |
|-----------------------------|----------------------|----------------------|------------|
| Banking Group Banca Esperia | 1,372 | (2,094) | 1,970 |

VOLUME

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

Inflows:

| <i>Euro millions</i> | 1 st Q 04 | 1 st Q 03 | % Change |
|---|----------------------|----------------------|-------------|
| The "Core Business" | | | |
| MANAGED SAVINGS | | | |
| Life insurance products | | | |
| <i>NEW BUSINESS</i> | | | |
| - Deferred annuities and recurring premiums | 39.8 | 26.5 | 50.2 |
| - Single premiums and Group policies | 316.0 | 198.0 | 59.6 |
| TOTAL NEW BUSINESS | 355.8 | 224.5 | 58.5 |
| <i>IN-FORCE BUSINESS</i> | | | |
| - Deferred annuities | 161.0 | 147.4 | 9.2 |
| - Recurring single premiums | 32.3 | 23.7 | 36.3 |
| TOTAL IN-FORCE BUSINESS | 193.3 | 171.1 | 13.0 |
| TOTAL PREMIUMS WRITTEN | 549.1 | 395.6 | 38.8 |
| (less) Premiums ceded | (1.4) | (2.0) | (30.0) |
| TOTAL LIFE PREMIUMS | 547.7 | 393.6 | 39.2 |
| Financial Products | | | |
| <i>MUTUAL ACCOUNTS FUNDS AND MANAGED ACCOUNTS</i> | | | |
| - Gross consolidated inflows | 451.8 | 406.1 | 11.3 |
| - Net consolidated inflows | 56.5 | 138.2 | (59.1) |
| SAVINGS UNDER ADMINISTRATION | | | |
| <i>CURRENT ACCOUNTS AND SECURITIES UNDER ADMINISTRATION</i> | | | |
| - Gross consolidated inflows | (104.1) | (11.1) | n.d. |
| - Net consolidated inflows | (104.1) | (11.1) | n.d. |

| <i>Euro millions</i> | 1 st Q 04 | 1 st Q 03 | % Change |
|---|----------------------|----------------------|----------|
| The "New Ventures" | | | |
| MANAGED SAVINGS | | | |
| Life insurance products | | | |
| <i>NEW BUSINESS</i> | | | |
| - Single premiums | 22.1 | 10.5 | 110.5 |
| Financial products | | | |
| <i>MUTUAL ACCOUNTS FUNDS AND MANAGED ACCOUNTS</i> | | | |
| - Gross consolidated inflows | 260.2 | 359.9 * | (27.7) |
| - Net consolidated inflows | 144.4 | 232.2 * | (37.8) |
| SAVINGS UNDER ADMINISTRATION | | | |
| <i>CURRENT ACCOUNTS AND SECURITIES UNDER ADMINISTRATION</i> | | | |
| - Gross consolidated inflows | 96.9 | 170.9 * | (43.3) |
| - Net consolidated inflows | 95.8 | 82.2 * | 16.5 |

(*) The inflow values indicated in the Quarterly report at March 31, 2003 included the total values referring to Banca Esperia. For comparison purposes, these were adjusted based on the stake held by the parent company Mediolanum S.p.A., equal to 48.5% of the value thereof.

Consolidated assets under administration

| <i>Euro millions</i> | 1 st Q 04 | 1 st Q 03 | % Change |
|--|----------------------|----------------------|----------|
| Life reserves | 9,097.0 | 6,779.3 | 34.2 |
| Mutual funds and managed accounts | 10,668.8 | 8,256.4 | 29.2 |
| Direct and in direct bank inflows | 4,489.9 | 4,978.8 | (9.8) |
| Pension funds | 164.2 | 165.7 | (0.9) |
| Consolidation adjustments | (4,080.3) | (2,917.9) | 39.8 |
| TOTAL "CORE BUSINESS" | 20,339.6 | 17,262.3 | 17.8 |
| Fibanc assets under administration (*) | 1,965.9 | 1,835.9 | 7.1 |
| Gamax assets under administration | 427.4 | 400.6 | 6.7 |
| Bankhaus August Lenz assets under administration | 177.3 | 1.6 | n.s. |
| Banca Esperia assets under administration | 1,672.3 | 1,250.9 | 33.7 |
| Med. Private assets under administration | 14.7 | 7.5 | 96.0 |
| TOTAL "NEW VENTURES" | 4,257.6 | 3,496.5 | 21.8 |
| GROUP TOTAL | 24,597.2 | 20,758.8 | 18.5 |

(*) The result includes the value of assets managed by Mediolanum International Life Ltd and placed through the Fibanc network for 95.1 million Euro (31.03.2003: 27.4 million Euro).

The sales network

| <i>Units</i> | 1 st Q 04 | 1 st Q 03 | 31.12.2003 |
|--|----------------------|----------------------|------------|
| Licensed financial advisors (Banca Mediolanum) | 4,049 | 4,110 | 4,052 |
| Non-licensed financial advisors (Banca Mediolanum) | 929 | 873 | 950 |
| Partner Time insurance agents* | 1,337 | 1,379 | 1,063 |
| TOTAL "CORE BUSINESS" | 6,315 | 6,362 | 6,065 |
| Fibanc Group network** | 560 | 398 | 532 |
| Gamax Group network | 577 | 1,032 | 689 |
| Bankhaus August Lenz network | 83 | 63 | 96 |
| TOTAL "NEW VENTURES" | 1,220 | 1,493 | 1,317 |
| TOTAL | 7,535 | 7,855 | 7,382 |

(*) Starting from 2004, the size of the Partner Time network is calculated by adding the number of pension advisors with sales functions (permanent network operators) to the number of partners that operated in the last half-year. Until December 31, 2003, the Partner Time network size was determined only based on advisors and partners that had operated during the last half-year; if the previous criterion had been applied, the Partner Time network as at March 31, 2004 would consist of 865 people.

(**) The data indicated in the Quarterly report at March 31, 2003 and in the financial statements at December 31, 2003, included the values referred to Introducers, who are no longer considered when defining the sales network size. For comparative purposes, the values included in the previous reports were adjusted (31.03.2003: 260; 31.12.2003: 114).

Employees

The number of Mediolanum Group employees grew as follows:

| <i>Units</i> | 1 st Q 04 | 1 st Q 03 | 31.12.2003 |
|-------------------------------|----------------------|----------------------|------------|
| Managers | 73 | 63 | 69 |
| Supervisory personnel | 140 | 119 | 131 |
| Clerical personnel | 894 | 821 | 849 |
| TOTAL CORE BUSINESS PERSONNEL | 1,107 | 1,003 | 1,049 |
| Managers | 27 | 29 | 27 |
| Clerical personnel | 274 | 318 | 276 |
| TOTAL NEW VENTURES PERSONNEL | 301 | 347 | 303 |
| TOTAL MEDIOLANUM GROUP | 1,408 | 1,350 | 1,352 |

HUMAN RESOURCES

EVENTS IN THIS PERIOD No significant events occurred.

By way of information, the following events occurred:

On January 9, 2004, the winding-up process of Gamax Schweiz GmbH was concluded.

On February 20, 2004, the interest held in the company Mediolanum Private S.A.M. was increased to 99.94%. During the course of this period, voluntary winding-up will be started, since this investment is no longer regarded as strategic.

Finally, it should be noted that the agreement for the transfer of the interest held in Mediolanum State Street SGR p.A. is currently being defined.

SIGNIFICANT
POST-PERIOD EVENTS

No significant events have occurred since March 31, 2004 that may 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 during the first few months of 2004 lead us to believe that the performance of the year will be positive.

For the Board of Directors
(Roberto Ruozi)
Chairman

The Mediolanum Group, following the enactment of Law Decree No.173/97 (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 insurance related within the framework of their institutional tasks (Banca Mediolanum S.p.A., Mediolanum Gestioni Fondi SGR.p.A., Mediolanum Asset Management Ltd, Mediolanum International Funds Ltd, Fibanc Inversiones S.A. and its controlled companies, 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 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 more accurate comprehension of the Mediolanum Group; it is not intended to provide information about the changes between the accounting balances.

RECLASSIFIED INCOME STATEMENT

Consolidated financial statement of the Group, including the statements of subsidiaries excluded from consolidation drawn up on a line-by-line basis according to the accounting method for insurance companies

| Euro in thousands | Mediolanum Group | | Core Business | |
|--|-------------------|-------------------|--------------------|--------------------|
| | 31.03.2004 (*) | 31.03.2003 (*) | 31.03.2004 (**) | 31.03.2003 (**) |
| Premiums from insurance activities | | | | |
| - Gross premiums written | 571,253 | 406,111 | 549,112 | 395,612 |
| - Reinsurance ceded | (1,442) | (1,736) | (1,437) | (1,728) |
| Commission income from financial activities and other income | | | | |
| - Entry fees | 7,971 | 7,627 | 7,144 | 6,825 |
| - Management fees | 45,392 | 36,373 | 40,786 | 32,488 |
| - Performance fees | 24,780 | 5,329 | 24,311 | 5,329 |
| - Bank service margin | 22,593 | 15,077 | 18,805 | 15,077 |
| - Bank interest spread | 15,358 | 17,296 | 13,306 | 15,404 |
| - Other commissions | 2,694 | 6,370 | 2,647 | 1,741 |
| - Other revenues | 1,294 | 1,963 | 1,252 | 1,245 |
| TOTAL REVENUES | 689,893 | 494,410 | 655,925 | 471,993 |
| Change in Life insurance reserves and service to policyholders, net of reinsurance | (509,752) | (353,241) | (490,352) | (343,624) |
| Acquisition costs, net of reinsurance | (54,498) | (45,110) | (49,267) | (40,341) |
| General costs | (53,456) | (50,757) | (44,247) | (40,946) |
| Amortisation/depreciation and provisions | (15,114) | (17,388) | (8,201) | (10,353) |
| Net investment and asset income | 6,587 | 9,064 | 5,913 | 8,307 |
| Figurative proceeds from shareholdings in New Ventures *** | 0 | 0 | 1,925 | 2,236 |
| Adjustments to the value of financial investments | (1,316) | (6,271) | (1,316) | (6,271) |
| OPERATING PROFIT | 62,345 | 30,707 | 70,381 | 41,001 |
| Non-recurring extraordinary income and charges | (101) | (3,681) | (101) | (3,832) |
| PROFIT BEFORE TAXES | 62,244 | 27,026 | 70,280 | 37,169 |
| Taxes for the year | (15,670) | (8,879) | (16,480) | (9,460) |
| Profits from minority interests | (12) | 3 | 0 | 0 |
| PROFIT FOR THE YEAR PERTAINING TO THE GROUP | 46,586 | 18,144 | 53,801 | 27,709 |

(*) Consolidated Mediolanum Group (including "New Ventures").

(**) Consolidated results of Mediolanum Group – "Core Business" does not include: Fibanc Group, Bankhaus August Lenz & Co. AG, Mediolanum International S.A, Gamax Group, Mediolanum Private S.A.M., Banca Esperia Group and Mediolanum International Life Ltd, (pertaining products distributed in foreign markets).

(***) For the purpose of drawing up the consolidated income statement relating to the "Core Business", these proceeds are figurative. The amount is equal to the financial burden coming from the related investment.