To the shareholders of
Mediolanum S.p.A.

1. BACKGROUND

At the Extraordinary General Meeting of April 26, 2005, the shareholders of Mediolanum S.p.A. (the "Company") resolved to adopt a Stock Options Plan and to authorise the Board of Directors to increase share capital to service said Stock Options Plan. Said authorisation to increase share capital was granted pursuant to art. 2443 of the Italian Civil Code and for a period of no more than five years from April 26, 2005. The capital increases, which may be effected in one or more occasions, are for a consideration and entail the issue of ordinary shares with par value of €0.10. Those shares are be allotted to the Non-Employee Directors and contract workers of the Company and its subsidiaries selected as Beneficiaries under the Stock Options Plan. Any shareholders' pre-emptive rights are waived pursuant to art. 2441, paragraph five of the Italian Civil Code.
At the same Extraordinary General Meeting the shareholders also resolved to grant the Board of Directors the broadest powers to comply with all formalities required for the statutory approvals of the resolutions passed at the Extraordinary General Meeting, and to mandate the Stock Options Plan Committee (now Compensation Committee) to draft the rules governing the implementation of the Plan which set out, *inter alia*, the criteria for the selection of the Beneficiaries, the number of Stock Options to be allotted to each Beneficiary and the rules applying in case of termination or other changes in his/her service relationship.

In relation to Non-Employee Directors and contract workers of the Company and its subsidiaries, the 2005 Stock Options Plan (hereinafter the "Plan") sets out that:

- (i) capital can be increased by a maximum total amount of €150,000.00 issuing up to 1,500,000 dividend-bearing ordinary shares, par value of €0.10 each - for shares to be allotted to Non-Employee Directors of the Company and its subsidiaries;
- (ii) capital can be increased by a maximum total amount of €400,000.00 issuing up to 4,000,000 dividend-bearing ordinary shares, par value of €0.10 each - for shares to be allotted to contract workers of the Company and its subsidiaries.

At the Extraordinary General Meeting of April 26, 2005, the shareholders also resolved that newly issued shares reserved to both Non-Employee Directors and contract workers of the Company and its subsidiaries be offered for subscription at a share price equal to the weighted average of:

(i) the company’s equity value per share as reported in the last financial statements approved prior to the allotment of the Stock Options; and

(ii) the average stock market price of Mediolanum S.p.A. shares in the six-month period preceding the grant date

applying a weight equal to ninety percent of the equity value and a weight equal to ten percent of the average stock market price in the last six-month period, respectively.

At the Extraordinary General Meeting of April 26, 2005, the shareholders also resolved that, in addition to the continuous service of the Beneficiary with the Company or other companies within the Mediolanum Group, the exercise of the Stock Options be also subject to at least one of the following conditions:

(i) that on the Vesting Date, the closing price of Mediolanum S.p.A. ordinary shares on the stock exchange be not lower than the closing price of Mediolanum S.p.A. ordinary shares on the Grant date; or

(ii) that the change in the closing price of Mediolanum S.p.A. ordinary shares in the period between the Grant Date and the Vesting Date (the "Vesting Period") be not lower than the arithmetic mean of the changes recorded in the Vesting Period in the S&P/Mib, Comit Assicurativi and Comit Bancari indices (the “Indices”), properly adjusted applying the criteria commonly adopted in financial market practice to take into account the correlation coefficient (known as the beta coefficient) between the Mediolanum S.p.A. ordinary shares and said Indices in the Vesting Period; the adjusted mean change in the Indices will be calculated by an independent third party appointed for that purpose by the Board of Directors of the Company; or

(iii) that the Embedded Value of the Mediolanum Group, as calculated by an independent third party and reported in the last financial statements approved prior to the Vesting Date, be at least equal to the Embedded Value of the Mediolanum Group as calculated based on the last financial statements approved prior to the Grant Date.

Pursuant to article 158, paragraph one, of Legislative Decree 58 of February 28, 1998 on April 4, 2005 we issued our fairness opinion. Also in consideration of the terms and conditions of the Plan (cf. our fairness opinion) and paragraph 4 of article 6 of the current Bylaws, in our fairness opinion we concluded that the criteria applied for the determination of the price of shares issued to service the Stock Options Plan were fair. You are reminded that those shares are reserved to Non-Employee Directors and contract workers of the Company and its subsidiaries and are issued as part of capital increases effected waiving any shareholders' pre-emptive rights pursuant to art. 2441, paragraph five of the Italian Civil Code, as proposed by the Board of Directors of Mediolanum S.p.A. and approved by the shareholders at the Extraordinary General Meeting of April 26, 2005.

2. SUBJECT AND NATURE OF OUR ASSIGNMENT

The General Meeting of Mediolanum S.p.A. is convened on April 19, 2007 (first call) and April 20, 2007 (second call) to vote on, *inter alia*, the amendments to the Stock Options Plan approved on April 26, 2005 (cf. background).

The reasons for amending the Plan are set out in the Report of the Board of Directors dated March 1, 2007. The Board of Directors believes the Plan has been an effective means to provide incentives and promote the loyalty of those people who are crucial to the success of the Company and of the Group. Therefore, the Board of Directors intends to continue to implement the Plan as a means to provide incentives and promote the loyalty of key personnel through its expiration. The Board of Directors notes that the residual number of shares reserved to the directors of the Company and its subsidiaries under the Plan is scant and cannot warrant the continuity of the Plan for this category of beneficiaries and consequently the achievement of its targets. Therefore, the Board of Director proposes to amend the Plan (i) by striking the term "non employee" in relation to directors who are defined as beneficiaries under the Plan, to avoid any doubt as to the eligibility of directors who are employees of Group companies other than those in which they hold the position of directors and who are selected as beneficiaries in relation to their position as directors; and (ii) to increase the number of Stock Options to be allotted to directors under the Plan from the current number of 1,500,000 to 4,000,000 Stock Options that entitle the holder to subscribe to an equal number of dividend-bearing ordinary shares with par value of €0.10 each.

The Board of Directors specifies that all other terms and conditions of the Plan, as indicated in the Report of the Board of Directors to the General Meeting of April 26, 2005, will remain unchanged.

We were asked to verify whether the "Fairness Opinion on the price of shares issued under the capital increase with exclusion of shareholders' pre-emptive rights and reserved to Non-Employee Directors and contract workers of the Company and its subsidiaries" we issued on April 4, 2005 would need any amendments as a result of the aforementioned proposed amendments to the Plan.

In consideration of the foregoing and, in particular, considering that, except for the increase in the number of ordinary shares, the terms and conditions of the Plan as well as the criteria for the determination of the price at which shares can be subscribed remain unchanged, there is no reason requiring changes in the "Fairness Opinion on the price of shares issued under the capital increase with exclusion of shareholders' pre-emptive rights and reserved to Non-Employee Directors and contract workers of the Company and its subsidiaries" we issued on April 4, 2005.

Milan, March 30, 2007

Reconta Ernst & Young S.p.A.
Signed
Natale Freddi
(Partner)