Ernst & Young

Mediolanum S.p.A.

Auditors' Report

On the criteria for determining the shares' issue price for the increase in capital with exclusion of the shareholders' subscription right

(Article 158 of the Legislative Decree n° 58 24 of February 24, 1998)

ERNST & YOUNG

Reconta Ernst & Young S.p.A.
Via della Chiusa, 2
20123 Milano

Tel. (+39) 02 722121
Fax (+39) 02 72212037
www.ey.com

Auditors' Report
on the criteria for determining shares' issue price for the increase in capital with exclusion of the shareholders' subscription right
(Article 158, comma 1, of the legislative decree n° 58 of February 24, 1998)

(Translation from the original Italian text)

To the Shareholders of
Mediolanum S.p.A.

1. REASONS, SCOPE AND NATURE OF THE ENGAGEMENT

In accordance with article 158, comma 1, of the legislative decree n° 58 of February 24, 1998, we received from Mediolanum S.p.A. (from hereon the "Company") the communication containing a proposal of proxy, given to the Board of Directors in accordance with article 2443 of the Italian Civil Code. The proxy has a maximum duration of five years as from the date of the shareholders' resolution, and is given for the purpose of arranging an inseparable paid-in capital increase, with exclusion of the shareholders' subscription right, in accordance with article 2441, comma 5 of the Civil Code. The proxy can be exercised, even in subsequent stages, by issuing, ordinary shares of the Company along with a specific illustrative note of the Board of Directors, of March 9, 2010, that illustrates and justifies the exclusion of the Shareholders' subscription rights and indicates the criteria adopted by the Directors in determining the shares' issue price. ("Board of Directors report").

This proposal will be subject to the approval of the Shareholders' extraordinary meeting called on April 27, 2010, in first call, and on April 28, 2010 in second call. The proposal contains a proxy given to the Board of Directors, in accordance with article 2443 of the Civil Code, giving the Board the power to arrange an inseparable paid-in increase capital increase of the shareholders' subscription right, in accordance with article 2441 comma 5 of the Civil Code. The proxy must be exercised, even in subsequent stages, i) for a total maximum notional amount of Euro 500.000,00 by issuing maximum n. 5.000.000 new ordinary shares to be reserved for subscription by Administrators and Directors of the Company and the Company's subsidiaries as beneficiaries of the Stock option plan denominated "Piano Top Management 2010", and ii) a total maximum notional amount of Euro 700.000,00 by issuing maximum n. 7.000.000 new ordinary shares to be reserved for subscription by collaborators (members of the sales network) of the Company and it's subsidiaries, as beneficiaries of the Stock option plan denominated "Piano Collaboratori 2010" (from hereon "stock option plans"). The proposal for the adoption of the stock option plans, illustrated in a specific report, prepared in accordance with article 114-bis of the Legislative Decree n° 58, of February 24, 1998 (from hereon "on the stock option plans report ") will be subject to the examination and approval of the Shareholders at the general meeting called on April 27, 2010, in first call, and on April 28, 2010 in second call.

Reconta Ernst & Young S.p.A.
Sede Legale: 00198 Roma - Via Po, 32
Capitale Sociale € 1.402.500,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CC.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584
P.I. 00891231003
Iscritta all'Albo Revisori Contabili al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

A member firm of Ernst & Young Global Limited

The Board of Directors' report illustrates the reasons for excluding the shareholders' subscription right as well as the criteria used by the Directors for determining the shares' issue price. In relation to the issue price, the Board of Directors proposed that the General Shareholders meeting not fix the definite issue price but should instead set the criteria that the Board should apply in determining the issue price at the date of the capital increase.

The capital increase, which is reserved to the beneficiaries of the stock option plans, will be deliberated in accordance with article 2443 and article 2441 comma 5 of the Civil Code. As Auditors of the Company's individual and consolidated Financial Statements we express here after, in accordance with article 158 of the legislative decree n°58, of February 24, 1998, our opinion on the fairness of the criteria identified by the Directors for determining the shares issue price.

Withstanding the above, in order to give the Shareholders information relating to the methods used for determining the shares' issue price, the following report contains the criteria identified for determining the price and a fairness evaluation of the methods used in relation to their reasonableness and being not arbitrary. In examining the criteria adopted by the Directors for determining the shares' issue price, we did not proceed with an economic valuation of the Company.

2. DESCRIPTION OF THE TRANSACTION AND THE CRITERIA USED TO DETERMIN THE SHARES' ISSUE PRICE

The Directors' report, which shall be presented to the extraordinary Shareholders' meeting, as indicated above, relates the proxy given to the Board of Directors in order to arrange an increase in capital dedicated to the Stock option plans in favor of Directors and Managers of the Company and its subsidiaries. In particular, the proposal gives the Board of Directors' the power to arrange an inseparable paid-in capital increase excluding the shareholders' subscription right in accordance with article 2441 comma 5 of the Civil Code. The proxy must be exercised, even in subsequent stages :

- For a total maximum notional amount of of Euro 500.000,00 by issuing maximum n. 5.000.000 new ordinary shares to be reserved for subscription by Administrators and Directors of the Company and the Company's subsidiaries as beneficiaries of the Stock option plan denominated "Piano Top Management 2010"
- For a total maximum notional amount Euro 700.000,00 by issuing maximum n. 7.000.000 new ordinary shares to be reserved for subscription by collaborators (members of the sales network) of the Company and it's subsidiaries, as beneficiaries of the Stock option plan denominate "Piano Collaboratori 2010" from hereon "Stock option plans").

As indicated in the Directors' report and in the stock option plans report, the adoption of such stock option plans, and consequential exclusion of the shareholders' subscription right, gives the Company and its subsidiaries the most effective instrument for promoting incentive and loyalty of directors, managers and collaborators, who bring a decisive contribution to the success of the Company and of the Mediolanum Group.

The stock option plans shall be accomplished through an increase in capital, reserved for the beneficiaries of every plan in accordance with article 2441, comma 5 of the civil code, resolved by the Board of Directors in accordance with article 2443 of the civil code.

The stock options are personal and non transferable *between living parties*. The exercise of the options is subject to performance conditions of economic and financial nature as well as maintaining of the existing relationship between the beneficiaries of the plan and the Company or other Companies of the Group. These conditions shall be specifically identified by the Board of Directors, having heard the Remuneration Committee, in accordance with the guide lines defined in the stock option report and shall be regulated in the respective stock option plans.

The Board of Directors, in accordance with article 2441 comma 6 of the Civil Code, proposes that for the beneficiaries of the stock option plans a the exercise price per share, upon exercise of an option, shall be equal to the weighted average of:

i) the net equity of the Company based on the last financial statements approved before the options grant date; and

ii) the average market price of Mediolanum S.p.A. equity shares in the last half year preceding the option grant date,

Applying a weighting coefficient respectively equal to 90% of the net equity value and 10% of the average market price in the last half year.

3. DOCUMENTATION USED AND WORK PERFORMED

In performing our engagement we received, from the Company, the documents and information considered useful for this particular instance. For this purpose we analyzed the documentation received, and in particular:

a) the Board of Directors report of March 9, 2009, prepared in accordance with article 2441, comma 6 of the Civil Code. The report illustrates and justifies the proxy proposal, in accordance with article. 2443 of the civil code, for the capital increase with exclusion of the shareholders' subscription right, indicating the criteria adopted by the Directors for determining the share issue price;

b) The Stock option plan report, prepared in accordance with ex article 114-bis of the legislative decree 58 of February 24, 1998, that illustrates the guide lines of the stock option plans and the proxy for executing such plans;

c) The Consolidated Financial Statements of Mediolanum S.p.A. as at December 31 2009, which we audited and for which we issued an opinion as of today;

d) The Company's by-laws in force, with particular reference to article 6 and the contents of the proposed modifications;

e) Additional accounting and non accounting information considered useful for the present report.

Our work also consisted in:

- Analyzing the Board of Directors report, that identifies the criteria for determining the shares' issue price;
- Analyzing the stock option plan reports that illustrate the guide lines for the stock option plans, the proxy for executing such plans and the reasons underlying the adoption of the stock option plans;
- Evaluations and critical analysis considered necessary to verify that the criteria used in determining the shares' issue price are adequate because, under the circumstances, they are reasonable and not arbitrary;
- Reading the minutes of the Company's Board of Directors of the year 2009 and of the first months of 2010 until today.

We also obtained a representation that, to the knowledge of the Company's Management, as of today there are no significant modifications to the data and other facts or circumstances that could affect the criteria indicated in the Board of Directors report, and, as such, be relevant for the objective of this report.

The above mentioned activities have been conducted in the measures necessary for achieving the objective of the engagement, indicated in paragraph 1.

4. CONSIDERATIONS ON THE FAIRNESS OF THE CRITERIA ADOPTED

In cases where the shareholders' subscription right is excluded, article 2444 comma 6 of the Civil Code, states that the shares' issue price must be fixed "based on the value of the net equity, taking into consideration, for shares quoted on the stock market, the market trend of the last half year". According to accredited interpretations, the meaning of the disposition is thatthe price of the shares issued does not necessarily need to be equal to the net equity value, but should be "based" on the value of the net equity; this allows a discretional margin in applying the criteria, allowing the Directors to issue new equity shares at a price that is not equal to the value of the net equity. Also, it is believed that the reference made to the market trend in the last half year allows the Directors freedom in choosing the criteria for determining the issue price that better reflect the market trend during the observation period.

As described above, the Board of Directors deemed advisable proposing that the Extraordinary Shareholders" meeting should determine the criteria that the Board should subsequently use to determine the shares' issue price and that it should establish that the issue price should be equal to the weighted average of: i) the net equity of the Company based on the last financial statements approved before the options grant date; and ii) the average market price of Mediolanum S.p.A. equity shares in the last half year preceding the option grant date, applying a weighting coefficient equal to 90% of the net equity value and 10% of the average market price in the last half year.

The stock option plans also establish that the exercise of the options will be conditional upon maintaining the existing relationship between the beneficiaries of the plan and the Company or other Companies of the Mediolanum Group, as well as performance conditions at an entity level, measured with reference to the performance, for a defined period following the grant of the options, of economical/financial parameters (for example the normalized consolidated profit, the cost/income ratio) considered suitably adjusted, if necessary, for risk factor and cost of capital. The exercise of the options could also be conditional on achieving certain individual performance conditions, assigned to each beneficiary of the stock option plan.

It is the Directors' opinion that the choice of the stock option plans is suitable for tying the beneficiaries' incentives to both the Company's and the Group's midterm performance and so creating value for the Shareholders.

Overall, the conditions required for exercising the options, that is: i) an issuing price calculated on the basis of the net equity value and taking into account average market stock price and ii) the prevision of economic performance at entity level to be obtained by the beneficiaries of the stock option plans, evidence a double function: rewarding and retaining a group of beneficiaries that cover a decisive role in achieving entity goals.

In this context, determining the criteria for fixing the issuing price based on the net equity and taking into account the average stock market value of the equity shares accomplishes the loyalty and incentive objectives pursued by the stock option plans in a more incisive manner.

Also the Company by- laws in force, indicate in the forth comma of article 6 that the shareholders meeting "can resolve a capital increase within the maximum limit of 5% of the existing equity, excluding the shareholders subscription rights, with the ability to determine the subscription price with discounts on the average market price, as long as it is linked to objective indices indicated in the stock option plans. The minimum subscription price for each share shall in any case not be less than the higher of the proportional share of the net equity book value and the notional value".

Any dilution effect that should arise in the case that the average market value be higher than the issue price, would be extensively compensated by the creation of value by the Mediolanum Group, which is a necessary condition for the exercise of the stock options, and would, in any case, be insignificant considering the maximum number of equity shares to be issued, that represent approximately 1,6% of the total share capital.

Based on the considerations above, the criteria for the determination of the shares issue price, proposed by the Directors appears to be consistent with the stock option plans' objectives, with the corporate by-laws and with the principal in the legislation.

5. SPECIFIC LIMITATIONS AND OTHER RELEVENT MATTERS EMERGED DURING THE EXECUTION OF THIS ENGAGEMENT

The share capital increase in exam, which can be carried out in more than on tranche has been delegated to the Board of directors that has the task of executing the proxy issued by the Shareholders meeting in compliance with the criteria indicated by the Shareholders, identifying the beneficiaries of the Stock option plans and determining the other conditions and terms for their implementation. Therefore, the above mentioned criteria for determining the options' exercise price are applicable to all the option indistinctly. However, taking into consideration the fact that the options can be granted in different moments, the specific exercise price may be different due to the different option grant dates.

Considering that the determination of the issue price is in part related to the market trend, the execution of the proxy for the capital increase refers to a market value of the shares updated to the execution date. It should be reminded that the parameter connected to the market price may be influenced by external factors such as, for example, periods of particular market volatility, speculative maneuvers, or atypical circumstances, such as the fact that the current market has been characterized by strong turbulence and high levels of uncertainty, that may limit the market prices capacities to reflect intrinsic values. Therefore it is not possible to exclude that the evolution of the credit crisis may bring values not foreseeable as of today and also significantly different from the current values.

6. CONCLUSIONS

Taking all the above into account, based on the documentation examined and the procedures described above, considering the nature and extent of our work indicated in the present report and withstanding the contents of paragraphs 4 and 5, we believe that the criteria adopted by the Directors for determining the shares issue price for the capital increase with exclusion of the shareholders subscription right, in accordance with article 2441 of the Civil Code, are adequate because, under the circumstances, they are reasonable and not arbitrary.

Milan, April 6, 2010

Reconta Ernst & Young S.p.A.
Signed by: Daniele Zamboni, Partner