

**Report of the Board of Directors to the  
Extraordinary General Meeting of April 27, 2006**

Dear Shareholders,

We convened the Extraordinary Meeting to vote on the following agenda item:

**Change to the dividend rights attached to the shares issued under the Stock Option Plan approved by the Extraordinary General Meeting of April 12, 2001 and subsequent amendment to art. 6 of the Bylaws (Share Capital).**

The Extraordinary General Meeting of April 12, 2001 approved a Stock Option Plan for 2001, and determined the terms and conditions thereof.

On that occasion the shareholders resolved that the shares to be issued under the Plan would, *inter alia*, “bear dividend rights from January 1 of the financial year in which shares are issued” for all categories of Beneficiaries.

The Board notes that condition poses some problems if the option is exercised between January 1 and the ex-dividend date of each year.

In fact shares issued under the Stock Option Plan in that period of time do not bear the same dividend rights as outstanding shares since the latter entitle their holders to receive also prior year’s dividend.

In that respect the Board points out that condition brings about a situation in which said shares cannot be traded on the market up until the ex-dividend date, when they become equivalent to outstanding shares and tradable on the market.

In consideration of the foregoing and to bring dividend rights in line with those attached to shares to be issued under the Stock Option Plan approved by the Extraordinary General Meeting of April 26, 2005, the Board of Directors intends to submit to the vote of the Extraordinary General Meeting the proposal to amend article 6 of the Company’s Bylaw only with respect to the dividend

right of shares to be issued under the 2001 Stock Option Plan, without prejudice to all other rights attached to the shares.

The Board also points out that the proposed amendment would change the Bylaws and the related Board resolutions passed pursuant to article 2443 of the Italian Civil Code to implement the 2001 Stock Option Plan approved by the Extraordinary General Meeting of April 12, 2001.

The current text of said article of the Bylaws and the proposed text (in bold type) are set out below.

CURRENT TEXT	PROPOSED TEXT
<p><b>Article 6)</b>            1. Share capital amounts to €72,759,692.80 (seventy-two million seven hundred and fifty-nine thousand six hundred and ninety-two point eighty), divided into 727,596,928 (seven hundred and twenty-seven million five hundred and ninety-six thousand nine hundred and twenty-eight) shares, par value of €0.10 (zero point ten) each.            2. Share capital may be increased by contributing cash, assets in kind and credit facilities.            3. Subject to any other provisions governing share capital increases, share capital may be increased by cash contributions and waiving any preemptive rights up to 10% (ten percent) of the pre-existing share capital, provided that the issue price corresponds to the market value of the shares as certified by the Independent Auditors. The resolution herein was taken with the quorum required under articles 2368 and 2369 of the Italian Civil Code.            4. Subject to the provisions of article 2441, paragraph eight of the Italian Civil Code, the General Meeting may resolve to increase share capital to serve stock option plans. Such resolution shall be approved by shareholders representing more than half of the share capital, even if taken at a General Meeting successive to the first. The share capital increase shall not exceed the maximum limit of 5% of the preexisting capital and any preemptive rights shall be waived. The General Meeting shall have the authority to set a subscription price lower than the average stock market price, provided that such price reflects objective parameters as set out in the stock option plans. However, the subscription price for each share shall not be less than the greater of the pro-rated equity book value and the</p>	<p><b>Article 6)</b>            1. Share capital amounts to €72,759,692.80 (seventy-two million seven hundred and fifty-nine thousand six hundred and ninety-two point eighty), divided into 727,596,928 (seven hundred and twenty-seven million five hundred and ninety-six thousand nine hundred and twenty-eight) shares, par value of €0.10 (zero point ten) each.            2. Share capital may be increased by contributing cash, assets in kind and credit facilities.            3. Subject to any other provisions governing share capital increases, share capital may be increased by cash contributions and waiving any preemptive rights up to 10% (ten percent) of the pre-existing share capital, provided that the issue price corresponds to the market value of the shares as certified by the Independent Auditors. The resolution herein was taken with the quorum required under articles 2368 and 2369 of the Italian Civil Code.            4. Subject to the provisions of article 2441, paragraph eight of the Italian Civil Code, the General Meeting may resolve to increase share capital to serve stock option plans. Such resolution shall be approved by shareholders representing more than half of the share capital, even if taken at a General Meeting successive to the first. The share capital increase shall not exceed the maximum limit of 5% of the preexisting capital and any preemptive rights shall be waived. The General Meeting shall have the authority to set a subscription price lower than the average stock market price, provided that such price reflects objective parameters as set out in the stock option plans. However, the subscription price for each share shall not be less than the greater of the pro-rated equity book value and the</p>

<p>nominal value.</p> <p>5. Pursuant to article 2443 of the Italian Civil Code, the General Meeting may delegate the authority to resolve on the matters set out in the preceding paragraphs to the Board of Directors.</p> <p>5.1 Pursuant to art. 2443, second paragraph of the Italian Civil Code, the General Meeting of April 12, 2001 resolved to authorize directors, for a period of no more than five years from the date of that GM resolution, to increase share capital (against payment), in one or more occasions, by a maximum total amount of €300,000, issuing up to 3,000,000 ordinary shares, par value of €0.1 each, <del>bearing dividend rights from January 1 of the financial year in which shares are issued</del>, to be allotted to contract workers of the Company and its subsidiaries who will be selected as Beneficiaries under the Stock Incentive Plan, waiving any shareholders' preemptive rights pursuant to art. 2441, paragraph five of the Italian Civil Code. Those shares will be offered for subscription at a share price equal to the equity value per share as reported in the latest financial statements approved prior to the respective Board of Directors resolutions to increase share capital through the offer of subscription rights exercisable in one or more occasions and in different years. The subscription rights for those shares will be in the name of the Beneficiary and non-transferable <i>inter vivos</i>. The terms for share subscription will be set out in the resolutions passed by the Board of Directors. Those resolutions will also set out that in the event that the approved capital increase is not fully subscribed within the prescribed term, share capital will be increased by the amount of the subscriptions received as of that date.</p> <p>5.2 Pursuant to art. 2443, first and second paragraphs of the Italian Civil Code, the Extraordinary General Meeting of April 26, 2005 resolved to authorize directors, for a period of no more than five years from the date of that EGM resolution, to increase share capital (against payment), in one or more occasions, by a maximum total amount of €400,000.00 issuing up to</p>	<p>nominal value.</p> <p>5. Pursuant to article 2443 of the Italian Civil Code, the General Meeting may delegate the authority to resolve on the matters set out in the preceding paragraphs to the Board of Directors</p> <p>5.1<sup>1</sup> Pursuant to art. 2443, second paragraph of the Italian Civil Code, the General Meeting of April 12, 2001 resolved to authorize directors, for a period of no more than five years from the date of that GM resolution, to increase share capital (against payment), in one or more occasions, by a maximum total amount of €300,000, issuing up to 3,000,000 <b>dividend-bearing</b> ordinary shares, par value of €0.1 each, to be allotted to contract workers of the Company and its subsidiaries who will be selected as Beneficiaries under the Stock Incentive Plan, waiving any shareholders' preemptive rights pursuant to art. 2441, paragraph five of the Italian Civil Code. Those shares will be offered for subscription at a share price equal to the equity value per share as reported in the latest financial statements approved prior to the respective Board of Directors resolutions to increase share capital through the offer of subscription rights exercisable in one or more occasions and in different years. The subscription rights for those shares will be in the name of the Beneficiary and non-transferable <i>inter vivos</i>. The terms for share subscription will be set out in the resolutions passed by the Board of Directors. Those resolutions will also set out that in the event that the approved capital increase is not fully subscribed within the prescribed term, share capital will be increased by the amount of the subscriptions received as of that date.</p> <p>5.2 Pursuant to art. 2443, first and second paragraphs of the Italian Civil Code, the Extraordinary General Meeting of April 26, 2005 resolved to authorize directors, for a period of no more than five years from the date of that EGM resolution, to increase share capital (against payment), in one or more occasions, by a maximum total amount of €400,000.00 issuing up to</p>
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<sup>1</sup> This paragraph shall expire on April 12, 2006. Therefore it shall be deleted from the Bylaws in the version to be filed after the General Meeting, unless the Board of Directors does so prior to the General Meeting date.

4,000,000 dividend-bearing ordinary shares, par value of €0.10 each, to be allotted to the employees of the Company and its subsidiaries who will be selected as Beneficiaries under the Stock Incentive Plan, waiving any shareholders' pre-emptive rights pursuant to art. 2441, paragraph eight of the Italian Civil Code. Those shares will be offered for subscription at a share price equal to their fair market value – as defined in tax rules – at the date of the Board of Directors' resolutions relating to the respective capital increases through the offer of subscription rights exercisable in one or more occasions and in different years. The subscription rights for those shares will be in the name of the Beneficiary and non-transferable *inter vivos*. The terms for share subscription will be set out in the resolutions passed by the Board of Directors. Those resolutions will also set out that in the event that the approved capital increase is not fully subscribed within the prescribed term, share capital will be increased by the amount of the subscriptions received as of that date.

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4,000,000 dividend-bearing ordinary shares, par value of €0.10 each, to be allotted to the employees of the company and its subsidiaries who will be selected as Beneficiaries under the Stock Incentive Plan, waiving any shareholders' pre-emptive rights pursuant to art. 2441, paragraph eight of the Italian Civil Code. Those shares will be offered for subscription at a share price equal to their fair market value – as defined in tax rules – at the date of the Board of Directors' resolutions relating to the respective capital increases through the offer of subscription rights exercisable in one or more occasions and in different years. The subscription rights for those shares will be in the name of the Beneficiary and non-transferable *inter vivos*. The terms for share subscription will be set out in the resolutions passed by the Board of Directors. Those resolutions will also set out that in the event that the approved capital increase is not fully subscribed within the prescribed term, share capital will be increased by the amount of the subscriptions received as of that date.

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market price in the last six-month period, respectively, through the offer of subscription rights exercisable in one or more occasions and in different years. The subscription rights for those shares will be in the name of the Beneficiary and non-transferable *inter vivos*. The terms for share subscription will be set out in the resolutions passed by the Board of Directors. Those resolutions will also set out that in the event that the approved capital increase is not fully subscribed within the prescribed term, share capital will be increased by the amount of the subscriptions received as of that date.

5.4 Pursuant to art. 2443, first and second paragraphs of the Italian Civil Code, the Extraordinary General Meeting of April 26, 2005 resolved to authorize directors, for a period of no more than five years from the date of that EGM resolution, to increase share capital (against payment), in one or more occasions, 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, to be allotted to Non-Employee Directors of the Company and its subsidiaries who will be selected as Beneficiaries under the Stock Incentive Plan, waiving any shareholders' pre-emptive rights pursuant to art. 2441, paragraph five of the Italian Civil Code. Those shares will 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 latest financial statements approved prior to the allotment of the Options and (ii) and the average stock market price of Mediolanum S.p.A. shares in the six-month period preceding the allotment 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, through the offer of subscription rights exercisable in one or more occasions and in different years. The subscription rights for those shares will be in the name of the Beneficiary and non-transferable *inter vivos*. The terms for share subscription will be set out in the resolutions passed by the Board of Directors. Those resolutions will also set out that in the event that the approved capital increase is not fully subscribed

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<p>within the prescribed term share capital will be increased by the amount of the subscriptions received as of that date.</p> <p><u>Share capital increase resolved by the Board on May 11, 2001 under delegated authority.</u></p> <p>On May 11, 2001, exercising the authority delegated to it by the Ordinary and Extraordinary General Meetings of 12 April 2001, the Board of Directors resolved:</p> <p>a) to increase share capital (against payment) by €42,000 (forty-two thousand) through the issue of 420,000 (four hundred and twenty thousand) ordinary shares, par value of €0.1 (zero point one) each, <del>bearing dividend rights from January 1 of the financial year in which shares are issued,</del> to be allotted to employees of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph eight, of the Italian Civil Code and article 134, paragraph three, of Legislative Decree 58/98. Those shares will be offered for subscription at a share price (including any share premiums) equal to the arithmetic mean of the MEDIOLANUM SPA" share prices on the electronic trading system of Borsa Italiana S.p.A. (Italian Stock Exchange) in the period from the eleventh day of the preceding calendar month to May 11, 2001.</p> <p>b) to increase share capital (against payment) by €10,000 (ten thousand) through the issue of 100,000 (one hundred thousand) ordinary shares, par value of €0.1 (zero point one) each, <del>bearing dividend rights from January 1 of the financial year in which shares are issued,</del> to be allotted to Non-Employee Directors of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph five, of the Italian Civil Code. Those shares will be offered for subscription at a share price of €0.344 (zero point three hundred and forty-four).</p> <p>c) to increase share capital (against payment) by €60,000 (sixty thousand) through the issue of 600,000 (six hundred thousand) ordinary shares, par value of €0.1 (zero point one) each, <del>bearing dividend rights from January 1 of the financial year in which shares are issued,</del> to be allotted to contract workers of the Company and/or its</p>	<p>within the prescribed term share capital will be increased by the amount of the subscriptions received as of that date.</p> <p><u>Share capital increase resolved by the Board on May 11, 2001 under delegated authority.</u></p> <p>On May 11, 2001, exercising the authority delegated to it by the Ordinary and Extraordinary General Meetings of 12 April 2001, the Board of Directors resolved:</p> <p>a) to increase share capital (against payment) by €42,000 (forty-two thousand) through the issue of 420,000 (four hundred and twenty thousand) <b>dividend-bearing</b> ordinary shares, par value of €0.1 (zero point one) each, to be allotted to employees of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph eight, of the Italian Civil Code and article 134, paragraph three, of Legislative Decree 58/98. Those shares will be offered for subscription at a share price (including any share premiums) equal to the arithmetic mean of the MEDIOLANUM SPA" share prices on the electronic trading system of Borsa Italiana S.p.A. (Italian Stock Exchange) in the period from the eleventh day of the preceding calendar month to May 11, 2001.</p> <p>b) to increase share capital (against payment) by €10,000 (ten thousand) through the issue of 100,000 (one hundred thousand) <b>dividend-bearing</b> ordinary shares, par value of €0.1 (zero point one) each, to be allotted to Non-Employee Directors of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph five, of the Italian Civil Code. Those shares will be offered for subscription at a share price of €0.344 (zero point three hundred and forty-four).</p> <p>c) to increase share capital (against payment) by €60,000 (sixty thousand) through the issue of 600,000 (six hundred thousand) <b>dividend-bearing</b> ordinary shares, par value of €0.1 (zero point one) each, to be allotted to contract workers of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the</p>
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The Board of Directors established that the subscription to those share capital increases be made on a single occasion in the first five business days of each of the six calendar months subsequent to the expiration of the three-year term since May 11, 2001 - except for any exceptional circumstances as set out in the regulations - and that the final term for exercising preemptive rights with respect to the share capital increases above, is the fifth business day in the sixth month subsequent to the expiration of the three-year term since May 11, 2001. The Board also established that in the event that the capital increases are not fully subscribed within the prescribed term, share capital will be increased by the amount of the subscriptions received as of that date.

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Share capital increase resolved by the Board on June 19, 2002 under delegated authority.

On June 19, 2002 exercising the authority delegated to it by the Ordinary and Extraordinary General Meetings of April 12, 2001, the Board of Directors resolved:

- to increase share capital (against payment) by a maximum amount of €82,750 (eighty-two thousand seven hundred and fifty) through the issue of up to 827,500 (eight hundred twenty-seven thousand five hundred) ordinary shares, par value of €0.1 (zero point one) each, ~~bearing dividend rights from January 1 of the financial year in which shares are issued,~~ to be allotted to employees of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph eight, of the Italian Civil Code and article 134, paragraph three, of Legislative Decree 58/98. Those shares will be offered for subscription at a share price, including any share premiums, equal to the arithmetic mean of the MEDIOLANUM S.p.A." share prices on the electronic trading system of Borsa Italiana S.p.A. (Italian Stock Exchange) in

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<p>the period from the nineteenth day of the preceding calendar month to June 19, 2002;</p> <ul style="list-style-type: none"> <li>- to increase share capital (against payment) by a maximum amount of €20,000 (twenty thousand) through the issue of up to 200,000 (two hundred thousand) ordinary shares, par value of €0.1 (zero point one) each, <del>bearing dividend rights from January 1 of the financial year in which shares are issued</del>, to be allotted to Non-Employee Directors of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph five of the Italian Civil Code. Those shares will be offered for subscription at a share price of €0.384 (zero point three hundred and eighty four).</li> </ul> <p>The subscription to those share capital increases is to be made on a single occasion in the first five business days of each of the thirty-six calendar months subsequent to the expiration of the two-year term since June 19, 2002, except for any exceptional circumstances as set out in the regulations. The final term for exercising preemptive rights with respect to the share capital increases above, is the fifth business day in the thirty-sixth month subsequent to the expiration of the two-year term since June 19, 2002. In the event that the capital increases are not fully subscribed within the prescribed term, share capital will be increased by the amount of the subscriptions received as of that date.</p> <p><u>Share capital increase resolved by the Board on March 25, 2003 under delegated authority.</u></p> <p>On March 25, 2003 exercising the authority delegated to it by the Ordinary and Extraordinary General Meetings of April 12, 2001, the Board of Directors resolved:</p> <ul style="list-style-type: none"> <li>- to increase share capital (against payment) by a maximum amount of €9,150 through the issue of up to 991,500 ordinary shares, par value of €0.1 (zero point one) each, <del>bearing dividend rights from January 1 of the financial year in which shares are issued</del>, to be allotted to employees of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph eight, of the Italian Civil Code and article 134, paragraph three, of Legislative Decree</li> </ul>	<p>2002;</p> <ul style="list-style-type: none"> <li>- to increase share capital (against payment) by a maximum amount of €20,000 (twenty thousand) through the issue of up to 200,000 (two hundred thousand) <b>dividend-bearing</b> ordinary shares, par value of €0.1 (zero point one) each, to be allotted to Non-Employee Directors of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph five of the Italian Civil Code. Those shares will be offered for subscription at a share price of €0.384 (zero point three hundred and eighty four).</li> </ul> <p>The subscription to those share capital increases is to be made on a single occasion in the first five business days of each of the thirty-six calendar months subsequent to the expiration of the two-year term since June 19, 2002, except for any exceptional circumstances as set out in the regulations. The final term for exercising preemptive rights with respect to the share capital increases above, is the fifth business day in the thirty-sixth month subsequent to the expiration of the two-year term since June 19, 2002. In the event that the capital increases are not fully subscribed within the prescribed term, share capital will be increased by the amount of the subscriptions received as of that date.</p> <p><u>Share capital increase resolved by the Board on March 25, 2003 under delegated authority.</u></p> <p>On March 25, 2003 exercising the authority delegated to it by the Ordinary and Extraordinary General Meetings of April 12, 2001, the Board of Directors resolved:</p> <ul style="list-style-type: none"> <li>- to increase share capital (against payment) by a maximum amount of €9,150 through the issue of up to 991,500 <b>dividend-bearing</b> ordinary shares, par value of €0.1 (zero point one) each, to be allotted to employees of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph eight, of the Italian Civil Code and article 134, paragraph three, of Legislative Decree 58/98. Those shares will be offered for subscription at a share</li> </ul>
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58/98. Those shares will be offered for subscription at a share price, including any share premiums, equal to the arithmetic mean of the "MEDIOLANUM S.p.A." share prices on the electronic trading system of Borsa Italiana S.p.A. (Italian Stock Exchange) in the period from the twenty-fifth day of the preceding calendar month to March 25, 2003.

The subscription to that share capital increase is to be made on a single occasion in the first five business days of each of the thirty-six calendar months subsequent to the expiration of the term of twenty-six months since March 25, 2003, except for any exceptional circumstances as set out in the regulations. The final term for exercising preemptive rights with respect to the share capital increase above, is the fifth business day in the thirty-sixth month subsequent to the expiration of the term of twenty-six months since March 25, 2003. In the event that the capital increase is not fully subscribed within the prescribed term, share capital will be increased by the amount of the subscriptions received as of that date.

Share capital increase resolved by the Board on May 13, 2003 under delegated authority.

On May 13, 2003, exercising the authority delegated to it by the Ordinary and Extraordinary General Meetings of April 12, 2001, the Board of Directors resolved:

- to increase share capital (against payment) by a maximum amount of €6,000 (ninety-six thousand) through the issue of up to 960,000 (nine hundred and sixty thousand) ordinary shares, par value of €0.1 (zero point one) each, ~~bearing dividend rights from January 1 of the financial year in which shares are issued~~, to be allotted to contract workers of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph five, of the Italian Civil Code. Those shares will be offered for subscription at a share price of €0.539;
- to increase share capital (against payment) by a maximum amount of €25,000 (twenty-five thousand) through the issue of up to 250,000 (two hundred and fifty thousand) ordinary shares, par value of €0.1 (zero point one) each, ~~bearing dividend rights from January 1 of the financial year in which shares are issued~~, to be allotted to Non-Employee Directors

price, including any share premiums, equal to the arithmetic mean of the "MEDIOLANUM SPA" share prices on the electronic trading system of Borsa Italiana S.p.A. (Italian Stock Exchange) in the period from the twenty-fifth day of the preceding calendar month to March 25, 2003.

The subscription to that share capital increase is to be made on a single occasion in the first five business days of each of the thirty-six calendar months subsequent to the expiration of the term of twenty-six months since March 25, 2003, except for any exceptional circumstances as set out in the regulations. The final term for exercising preemptive rights with respect to the share capital increase above, is the fifth business day in the thirty-sixth month subsequent to the expiration of the term of twenty-six months since March 25, 2003. In the event that the capital increase is not fully subscribed within the prescribed term, share capital will be increased by the amount of the subscriptions received as of that date.

Share capital increase resolved by the Board on May 13, 2003 under delegated authority.

On May 13, 2003, exercising the authority delegated to it by the Ordinary and Extraordinary General Meetings of April 12, 2001, the Board of Directors resolved:

- to increase share capital (against payment) by a maximum amount of €6,000 (ninety-six thousand) through the issue of up to 960,000 (nine hundred and sixty thousand) **dividend-bearing** ordinary shares, par value of €0.1 (zero point one) each, to be allotted to contract workers of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph five, of the Italian Civil Code. Those shares will be offered for subscription at a share price of €0.539;
- to increase share capital (against payment) by a maximum amount of €25,000 (twenty-five thousand) through the issue of up to 250,000 (two hundred and fifty thousand) **dividend-bearing** ordinary shares, par value of €0.1 (zero point one) each, to be allotted to Non-Employee Directors of the Company and/or its subsidiaries pursuant to article 2359,

<p>of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph five, of the Italian Civil Code. Those shares will be offered for subscription at a share price of €0.539.</p> <p>The subscription to those share capital increases is to be made on a single occasion in the first five business days of each of the thirty-six calendar months subsequent to the expiration of the two-year term since May 13, 2003, except for any exceptional circumstances as set out in the regulations. The final term for exercising preemptive rights with respect to the share capital increases above, is the fifth business day in the thirty-sixth month subsequent to the expiration of the two-year term since May 13, 2003. In the event that the capital increases are not fully subscribed within the prescribed term, share capital will be increased by the amount of the subscriptions received as of that date.</p>	<p>paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph five, of the Italian Civil Code. Those shares will be offered for subscription at a share price of €0.539.</p> <p>The subscription to those share capital increases is to be made on a single occasion in the first five business days of each of the thirty-six calendar months subsequent to the expiration of the two-year term since May 13, 2003, except for any exceptional circumstances as set out in the regulations. The final term for exercising preemptive rights with respect to the share capital increases above, is the fifth business day in the thirty-sixth month subsequent to the expiration of the two-year term since May 13, 2003. In the event that the capital increases are not fully subscribed within the prescribed term, share capital will be increased by the amount of the subscriptions received as of that date.</p>
<p><u>Share capital increase resolved by the Board on May 12, 2004 under delegated authority.</u></p> <p>On May 12, 2004 exercising the authority delegated to it by the Ordinary and Extraordinary General Meetings of April 12, 2001, the Board of Directors resolved:</p> <ul style="list-style-type: none"> <li>- to increase share capital (against payment) by a maximum amount of €75,900 (seventy-five thousand nine hundred) through the issue of up to 759,000 (seven hundred and fifty-nine thousand) ordinary shares, par value of €0.1 (zero point one) each, <del>bearing dividend rights from January 1 of the financial year in which shares are issued</del>, to be allotted to employees of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph eight, of the Italian Civil Code and article 134, paragraph three, of Legislative Decree 58/98. Those shares will be offered for subscription at a share price, including any share premiums, equal to the arithmetic mean of the "MEDIOLANUM S.p.A." share prices on the electronic trading system of Borsa Italiana S.p.A. (Italian Stock Exchange) in the period from the twelfth day of the preceding calendar month to May 12, 2004;</li> <li>- to increase share capital (against payment)</li> </ul>	<p><u>Share capital increase resolved by the Board on May 12, 2004 under delegated authority.</u></p> <p>On May 12, 2004 exercising the authority delegated to it by the Ordinary and Extraordinary General Meetings of April 12, 2001, the Board of Directors resolved:</p> <ul style="list-style-type: none"> <li>- to increase share capital (against payment) by a maximum amount of €75,900 (seventy-five thousand nine hundred) through the issue of up to 759,000 (seven hundred and fifty-nine thousand) <b>dividend-bearing</b> ordinary shares, par value of €0.1 (zero point one) each, to be allotted to employees of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph eight, of the Italian Civil Code and article 134, paragraph three, of Legislative Decree 58/98. Those shares will be offered for subscription at a share price, including any share premiums, equal to the arithmetic mean of the "MEDIOLANUM SPA" share prices on the electronic trading system of Borsa Italiana S.p.A. (Italian Stock Exchange) in the period from the twelfth day of the preceding calendar month to May 12, 2004;</li> <li>- to increase share capital (against payment)</li> </ul>

by a maximum amount of €72,934 (seventy-two thousand nine hundred and thirty-four) through the issue of up to 729,340 (seven hundred and twenty-nine thousand three hundred and forty) ordinary shares, par value of €0.1 (zero point one) each, ~~bearing dividend rights from January 1 of the financial year in which shares are issued~~, to be allotted to contract workers of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph five, of the Italian Civil Code. Those shares will be offered for subscription at a share price of €0.583 (zero point five hundred eighty three);

- to increase share capital (against payment) by a maximum amount of €18,000 (eighteen thousand) through the issue of up to 180,000 (one hundred and eighty thousand) ordinary shares, par value of €0.1 (zero point one) each, ~~bearing dividend rights from January 1 of the financial year in which shares are issued~~, to be allotted to Non-Employee Directors of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph five, of the Italian Civil Code. Those shares will be offered for subscription at a share price of €0.583 (zero point five hundred eighty three).

The subscription to those share capital increases is to be made on a single occasion in the first five business days of each of the thirty-six calendar months subsequent to the expiration of the two-year term since May 12, 2004, except for any exceptional circumstances as set out in the regulations. The final term for exercising preemptive rights with respect to the share capital increases above is the fifth business day in the thirty-sixth month subsequent to the expiration of the two-year term since May 12, 2004. In the event that the capital increases are not fully subscribed within the prescribed term, share capital will be increased by the amount of the subscriptions received as of that date.

Share capital increase resolved by the Board on July 13, 2005 under delegated authority.

- 1) On July 13, 2005, exercising the authority delegated to it by the Ordinary and

by a maximum amount of €72,934 (seventy-two thousand nine hundred and thirty-four) through the issue of up to 729,340 (seven hundred and twenty-nine thousand three hundred and forty) **dividend-bearing** ordinary shares, par value of €0.1 (zero point one) each, to be allotted to contract workers of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph five, of the Italian Civil Code. Those shares will be offered for subscription at a share price of €0.583 (zero point five hundred eighty three);

- to increase share capital (against payment) by a maximum amount of €18,000 (eighteen thousand) through the issue of up to 180,000 (one hundred and eighty thousand) **dividend-bearing** ordinary shares, par value of €0.1 (zero point one) each, to be allotted to Non-Employee Directors of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph five, of the Italian Civil Code. Those shares will be offered for subscription at a share price of €0.583 (zero point five hundred eighty three).

The subscription to those share capital increases is to be made on a single occasion in the first five business days of each of the thirty-six calendar months subsequent to the expiration of the two-year term since May 12, 2004, except for any exceptional circumstances as set out in the regulations. The final term for exercising preemptive rights with respect to the share capital increases above is the fifth business day in the thirty-sixth month subsequent to the expiration of the two-year term since May 12, 2004. In the event that the capital increases are not fully subscribed within the prescribed term, share capital will be increased by the amount of the subscriptions received as of that date.

Share capital increase resolved by the Board on July 13, 2005 under delegated authority.

- 1) On July 13, 2005, exercising the authority delegated to it by the Ordinary and

<p>Extraordinary General Meetings of April 26, 2005, the Board of Directors resolved:</p> <p>a. to increase share capital (against payment) by a maximum amount of €8,100.00 (sixty-eight thousand one hundred point zero) through the issue of up to 681,000 (six hundred eighty-one thousand) dividend-bearing ordinary shares, par value of €0.10 (zero point one) each, to be allotted to the employees of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1), of the Italian Civil Code, waiving any shareholders' pre-emptive rights pursuant to art. 2441, paragraph eight of the Italian Civil Code and article 134, paragraph three, of Legislative Decree 58/98. Those shares will be offered for subscription at a share price, including any share premiums, equal to the arithmetic mean of the MEDIOLANUM S.p.A." share prices on the electronic trading system of Borsa Italiana S.p.A. (Italian Stock Exchange) in the period from the thirteenth day of the preceding calendar month to July 13, 2005;</p> <p>b. to increase share capital (against payment) by a maximum amount of €9,000.00 (thirty-nine thousand point zero) through the issue of up to 390,000 (three-hundred ninety thousand) dividend-bearing ordinary shares, par value of €0.10 (zero point one) each, to be allotted to Non-Employee Directors of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1), of the Italian Civil Code, waiving any shareholders' pre-emptive rights pursuant to art. 2441, paragraph five of the Italian Civil Code. Those shares will be offered for subscription at a share price of 1.118 (one point one hundred eighteen);</p> <p>The subscription to those share capital increases is to be made on a single occasion in the first five business days of each of the sixty calendar months subsequent to the expiration of the two-year term since July 13, 2005, except for any exceptional circumstances as set out in the regulations. The final term for exercising preemptive rights with respect to the share capital increases above is the fifth business day in the sixtieth month subsequent to the expiration of the two-year term since July 13, 2005. In the event that the capital increases are not fully subscribed within the prescribed term, share capital will be increased</p>	<p>Extraordinary General Meetings of April 26, 2005, the Board of Directors resolved:</p> <p>a. to increase share capital (against payment) by a maximum amount of €8,100.00 (sixty-eight thousand one hundred point zero) through the issue of up to 681,000 (six hundred eighty-one thousand) dividend-bearing ordinary shares, par value of €0.10 (zero point one) each, to be allotted to the employees of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1), of the Italian Civil Code, waiving any shareholders' pre-emptive rights pursuant to art. 2441, paragraph eight of the Italian Civil Code and article 134, paragraph three, of Legislative Decree 58/98. Those shares will be offered for subscription at a share price, including any share premiums, equal to the arithmetic mean of the MEDIOLANUM S.p.A." share prices on the electronic trading system of Borsa Italiana S.p.A. (Italian Stock Exchange) in the period from the thirteenth day of the preceding calendar month to July 13, 2005;</p> <p>b. to increase share capital (against payment) by a maximum amount of €9,000.00 (thirty-nine thousand point zero) through the issue of up to 390,000 (three-hundred ninety thousand) dividend-bearing ordinary shares, par value of €0.10 (zero point one) each, to be allotted to Non-Employee Directors of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1), of the Italian Civil Code, waiving any shareholders' pre-emptive rights pursuant to art. 2441, paragraph five of the Italian Civil Code. Those shares will be offered for subscription at a share price of 1.118 (one point one-hundred eighteen);</p> <p>The subscription to those share capital increases is to be made on a single occasion in the first five business days of each of the sixty calendar months subsequent to the expiration of the two-year term since July 13, 2005, except for any exceptional circumstances as set out in the regulations. The final term for exercising preemptive rights with respect to the share capital increases above is the fifth business day in the sixtieth month subsequent to the expiration of the two-year term since July 13, 2005. In the event that the capital increases are not fully subscribed within the prescribed term, share capital will be increased</p>
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<p>by the amount of the subscriptions received as of that date.</p> <p>2) On July 13, 2005, exercising the authority delegated to it by the Ordinary and Extraordinary General Meetings of April 12, 2001, the Board of Directors resolved to increase share capital (against payment) by a maximum amount of €25,444.00 (twenty-five thousand four hundred forty-four point zero) through the issue of up to 254,440 (two hundred fifty-four thousand four hundred forty) ordinary shares, par value of €0.1 (zero point one) each, <del>bearing dividend rights from January 1 of the financial year in which shares are issued</del>, to be allotted to contract workers of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441, paragraph five, of the Italian Civil Code. Those shares will be offered for subscription at a share price of €0.648 (zero point six hundred forty eight).</p> <p>The subscription to that share capital increase is to be made on a single occasion in the first five business days of each of the thirty-six calendar months subsequent to the expiration of the two-year term since July 13, 2005, except for any exceptional circumstances as set out in the regulations. The final term for exercising preemptive rights with respect to the share capital increases above, is the fifth business day in the thirty-sixth month subsequent to the expiration of the two-year term since July 13, 2005. In the event that the capital increases are not fully subscribed within the prescribed term, share capital will be increased by the amount of the subscriptions received as of that date.</p>	<p>by the amount of the subscriptions received as of that date.</p> <p>2) On July 13, 2005, exercising the authority delegated to it by the Ordinary and Extraordinary General Meetings of April 12, 2001, the Board of Directors resolved to increase share capital (against payment) by a maximum amount of €25,444.00 (twenty-five thousand four hundred forty-four point zero) through the issue of up to 254,440 (two hundred fifty-four thousand four hundred forty) <b>dividend-bearing</b> ordinary shares, par value of €0.1 (zero point one) each, to be allotted to contract workers of the Company and/or its subsidiaries pursuant to article 2359, paragraph 1, No. 1 of the Italian Civil Code, waiving any shareholders' preemptive rights pursuant to article 2441 paragraph five, of the Italian Civil Code. Those shares will be offered for subscription at a share price of €0.648 (zero point six hundred forty eight).</p> <p>The subscription to that share capital increase is to be made on a single occasion in the first five business days of each of the thirty-six calendar months subsequent to the expiration of the two-year term since July 13, 2005, except for any exceptional circumstances as set out in the regulations. The final term for exercising preemptive rights with respect to the share capital increases above, is the fifth business day in the thirty-sixth month subsequent to the expiration of the two-year term since July 13, 2005. In the event that the capital increases are not fully subscribed within the prescribed term, share capital will be increased by the amount of the subscriptions received as of that date.</p>
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Accordingly, we propose you to grant the Board of Directors all necessary powers to lodge and publish the text of the updated Bylaws including the amended article 6.

Basiglio – Milano 3, March 1<sup>st</sup>, 2006

For the Board of Directors

The Chairman

Roberto Ruozi