

**Report of the Board of Directors to the Ordinary General Meeting
convened on April 19, 2007 (first call) and April 20, 2007 (second call)
pursuant to article 3, MD 437 of November 5, 1998**

Dear shareholders,

We convened the Ordinary General Meeting to vote on, *inter alia*, the following agenda items:

3. Increase in the number of directors; subsequent and related resolutions, including compensation;
4. Extension of the term of the independent auditors mandate pursuant to art. 8, paragraph 7 (Transitional provisions) of Legislative Decree 303/2006; subsequent and related resolutions.

With respect to item 3 on the agenda (**Increase in the number of directors; subsequent and related resolutions, including compensation**), after assessing the composition and the operation of the Board of Directors, and considering the Committees into which it is organised, we believe the number of Board members should be increased.

Therefore, we invite you to vote for an increase in the number of directors, make related appointments and determine their compensation or re-determine the aggregate compensation you resolved on April 26, 2005.

With respect to item 4 on the agenda (**Extension of the term of the independent auditors mandate pursuant to art. 8, paragraph 7 (Transitional provisions) of Legislative Decree 303/2006; subsequent and related resolutions**), the Board of Directors seconds the proposal of the Board of Statutory Auditors for the extension of the term of the mandate of the independent auditors responsible for the audit of the separate and consolidated annual financial statements as well as the limited audit of the consolidated interim financial statements of Mediolanum S.p.A., which expires

with the approval of the 2007 annual financial statements and the interim financial statements at June 30, 2007, respectively.

The extension is recommended in the light of the option introduced by Legislative Decree 303/2006 to align the term of the audit mandate in force, including any renewals and extensions, with the limit term of nine years set out in article 159, paragraph 4 of Legislative Decree 58/98 as amended by Legislative Decree 303/06.

It is, therefore, proposed to extend the term of the independent auditors mandate to include the audit of the separate and consolidated financial statements for the year ending December 31, 2008, 2009 and 2010 and the limited audit of the interim financial statements at June 30, 2008, 2009 and 2010, for a total fee which is more advantageous to the company, as detailed in the independent auditors proposal lodged with and available to the public at the company's registered office.

We invite you to vote for the extension of the term of the independent auditors mandate to bring it in line with the limit term set out in art. 8, paragraph 7 (Transitional provisions) of Legislative Decree 303/2006 as proposed above.

Basiglio - Milano 3, March 1, 2007

For the Board of Directors
The Chairman
Roberto Ruozi