

Milan, 11 September 2007

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Egregio signor Doris,

DISCLOSURE ON THE EMBEDDED VALUE

Tillinghast, the global insurance and financial services consulting business of Towers Perrin, has assisted the Mediolanum Group regarding the methodology and the assumptions to be used and the calculation of the embedded value of the Group as at 30 June 2007, 31 December 2006 and 30 June 2006, together with the embedded value earnings in the first half of 2007, in the full year 2006 and in the first half 2006, concerning the life and asset management businesses distributed in Italy and Spain and the most significant parts of the Italian banking business.

For all the values shown in this document, Mediolanum has adopted the European Embedded Value (EEV) Principles published by the CFO Forum. The methodology, the main assumptions and the results are explained in more detail in the attached supplementary information disclosure document. In particular a market-consistent approach has been used in the valuation of financial risk.

EMBEDDED VALUE

Using the methodology and the main assumptions summarised in the supplementary information document, the following table shows the principal results at a consolidated level as at 30 June 2007, 31 December 2006 and 30 June 2006, determined in accordance with the EEV Principles.

Embedded Value (Euro million)			
	30 June 2007	31 December 2006	30 June 2006
Adjusted net worth	769	749	658
value of in-force life business	1,861	1,895	1,802
value of in-force asset management business	352	346	394
value of in-force banking business	191	132	120
Value of in-force business	2,404	2,373	2,316
Embedded Value	3,173	3,122	2,974

The discount rates vary between lines of business since they reflect the risk profile of the underlying business; the average discount rate, weighted by value of in-force business is 7.42% as at 30 June 2007 (6.73% as at 31 December 2006 and 6.62% as at 30 June 2006).

EMBEDDED VALUE EARNINGS

The following table shows the principal components of the Mediolanum Group's embedded value earnings in the first half of 2007, in the full year 2006 and in the first half of 2006.

Embedded Value Earnings (Euro million)			
	1st half 2007	Year 2006	1st half 2006
Expected return	91	153	76
Experience variances	(61)	(19)	(94)
Operating assumption changes	-	(57)	-
Economic assumption changes	(19)	(39)	(29)
Business transformations	(3)	2	-
New Life business	88	211	110
New Asset Management business	26	46	32
New Banking business	11	15	9
Embedded value earnings	133	312	104

OPINION

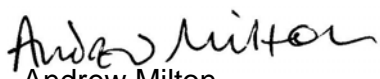
Tillinghast has assisted the Mediolanum Group regarding the methodology and assumptions to be used and the calculation of the European Embedded Value of the Group as at 30 June 2007, together with the embedded value earnings in the first half of 2007. In the review of the estimates of value, Tillinghast has relied on data and information provided by the Mediolanum Group, which has been examined for reasonableness and consistency with industry knowledge, but Tillinghast has not undertaken independent checks of the data and other information supplied.

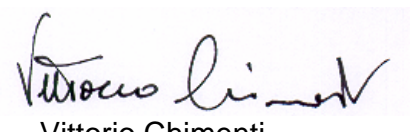
Tillinghast considers that the methodology and assumptions used comply with the EEV Principles and Guidance as published by the CFO Forum, and in particular:

- that the methodology makes allowance for the aggregate risks in the covered business through:
 - (i) the incorporation of risk margins in the discount rate used to discount projected future profits determined using best estimate assumptions, using
 - a) a market-consistent valuation of financial risk,
 - b) an allowance for non-financial risk based on the frictional cost of an amount of capital that would be required to cover operational risk requirements under Basel II and the value at risk with respect to key operating variables such as persistency, costs and management fees,
 - (ii) the deduction of the cost of required capital based on minimum EU solvency margins for non-index-linked life business, and a risk-based capital allowance for index-linked business; and
 - (iii) the deduction of the time value of financial options and guarantees for traditional business;
- that the operating assumptions are reasonable in the context of recent available experience and the expected future operating environment;
- that the economic assumptions used are internally consistent and consistent with observable market data;
- for revaluable business, the assumed revaluation rates, and the retrocession rates, are consistent with the projection assumptions, established company practice and local market practice.

Based on the foregoing, Tillinghast considers that the results for the embedded value, embedded value earnings and the value of new business, as reported in the enclosed supplementary information, have been determined, in all material respects, in accordance with the EEV Principles, using the methodology and assumptions set out in the supplementary information disclosure document.

Yours sincerely


Andrew Milton
Fellow of the Institute of Actuaries


Vittorio Chimenti
Attuario