
CONSOLIDATED HALF-YEAR REPORT AT JUNE 30, 2009



FONDIARIA-SAI S.p.A.

FONDIARIA-SAI S.P.A. - REGISTERED OFFICES AND HEADQUARTERS FLORENCE - P.ZA DELLA LIBERTÀ 6 -
TURIN HEADQUARTERS - CORSO G. GALILEI, 12 - SHARE CAPITAL EURO 167,043,712 FULLY PAID-IN - TAX, VAT
AND FLORENCE COMPANY REGISTRATION NO. 00818570012 - COMPANY AUTHORISED TO UNDERTAKE
INSURANCE ACTIVITIES PURSUANT TO ARTICLE 65 R.D.L., NO. 966 OF APRIL 29, 1923, ENACTED INTO LAW NO.
473 OF APRIL 17, 1925.

CORPORATE BOARDS OF FONDIARIA-SAI S.p.A.

BOARD OF DIRECTORS

Salvatore Ligresti

Honorary Chairman

Jonella Ligresti*

Chairman

Giulia Maria Ligresti*

Vice Chairman

Massimo Pini*

Vice Chairman

Antonio Talarico*

Vice Chairman

Fausto Marchionni*

Chief Executive Officer - General Manager

Andrea Broggin

Maurizio Comoli

Francesco Corsi

Carlo d'Urso

Vincenzo La Russa*

Gioacchino Paolo Ligresti*

Lia Lo Vecchio

Valentina Marocco

Enzo Mei

Giuseppe Morbidelli

Cosimo Rucellai

Salvatore Spiniello

Sergio Viglianisi

Oscar Zannoni

Alberto Marras

Secretary of the Board and the Executive Committee

BOARD OF STATUTORY AUDITORS

Benito Giovanni Marino

Chairman

Marco Spadacini

Statutory Auditor

Antonino D'Ambrosio

Statutory Auditor

Maria Luisa Mosconi

Alternate Auditor

Alessandro Malerba

Alternate Auditor

Rossella Porfido

Alternate Auditor

INDEPENDENT AUDITOR

DELOITTE & TOUCHE S.p.A.

GENERAL REPRESENTATIVE OF THE SAVINGS SHAREHOLDERS

Sandro Quagliotti

GENERAL MANAGER

Fausto Marchionni

EXECUTIVE RESPONSIBLE

for the preparation of the corporate accounting documents

Pier Giorgio Bedogni

** Members of the Executive Committee*

The Chairman, Ms. Jonella Ligresti, and the Chief Executive Officer, Prof. Fausto Marchionni are the representatives of the company pursuant to article 21 of the Company By-Laws and have all ordinary and extraordinary administrative powers with all rights thereto, to be exercised in single signature and with possibility to confer mandates and proxies, with the exclusive exception of the following powers:

- sale and/or purchase of property above the value of Euro 15 million for each operation;
- sale and/or purchase of investments above the value of Euro 30 million for each operation and, in any case, of controlling interests;
- obtaining of loans above Euro 50 million for each operation;
- provision of non-insurance guarantees in favour of third parties.

The Chairman and the Chief Executive Officer report to the Executive Committee or to the Board of Directors in each meeting in relation to the exercise of the above powers, with particular regard to atypical, unusual or operations with related parties (where not reserved to the Board) and, in general, on the most significant operations.

The Executive Committee has all the powers not already attributed to the Chairman and to the Chief Executive Officer, except for those which for law or the company by-laws are the exclusive competence of the Board of Directors, while providing that - in accordance with the principles of correct conduct in relation to operations with related parties approved by the Board of Directors' meeting of February 18, 2009 - the exclusive competence to the Board of all deliberations in relation to the transactions with related parties which for subject, payment, terms, conditions and time period may have effects on the safeguarding of the company assets or on the completeness and correctness of the information, including accounting, relating to the issuer, with the exclusion of the operations made between subsidiary companies and subsidiary companies with associated companies. The attribution of exclusive duties to the Executive Committee in relation to specific types of operations or operations with limited amount does not exist. The Committee reports to the Board of Directors at each meeting on the exercise of its powers.

The Board of Directors was appointed by the Shareholders' Meeting of April 24, 2009.

The Board will expire, together with the Board of Statutory Auditors, with the shareholders' meeting for the approval of the financial statements for 2011.

FIRST HALF-YEAR 2009 HIGHLIGHTS

- 29/5/2009: following the preliminary contract signed at the end of 2008 by Fondiaria-SAI and Milano Assicurazioni for the purchase from Sinergia Holding di Partecipazioni S.p.A. and Raggruppamento Finanziario S.p.A. of 100% of Atahotels S.p.A., the sixth largest hotel chain in Italy, on 29/5/2009 the purchase operation was finalised for a total amount of Euro 25 million, respectively for a holding of 51% and 49% in Atahotels.
- 11/6/2009: Fondiaria-SAI S.p.A. signed an agreement for the supplementation and renewal until 12/6/2010 of the shareholder pact signed on 8/3/2007 and renewed on 12/3/2008 in relation to the holding in IGLI S.p.A., a company which in turn holds a 29.96% of the ordinary share capital of Impregilo S.p.A., listed on the MTA segment of the Italian Stock Exchange. The agreement relates to the governance of IGLI S.p.A., as well as the rights deriving from the shareholding of IGLI S.p.A. in Impregilo S.p.A.
The renewal of the pact is subject to the necessary verifications of the Antitrust Authority.
- 17/6/2009: The Board of Directors of Fondiaria-SAI S.p.A. and of Milano Assicurazioni S.p.A. approved the guidelines for the reorganisation of the activities of Immobiliare Lombarda S.p.A., a company entirely held by Fondiaria-SAI (60.98%) and Milano Assicurazioni (39.02%).
This operation - concluding the final phase of the corporate-industrial restructuring project approved and announced to the market in January 2008 and begun with the takeover bid which resulted in the delisting of Immobiliare Lombarda - will allocate the majority of assets and related liabilities of the Company directly to the shareholder Insurance Companies through a partial non proportional spin-off of Immobiliare Lombarda into two newly incorporated companies to be subsequently merged into the respective Insurance Companies.

New Group products launched and new initiatives in the first half year

Non-Life Division

- From January 1, 2009, the bilateral agreements signed with the Russian Bureau, the Russian Association of Motor Insurers (R.A.M.I.), became effective which allow Russia to enter into the “green card” circuit. Based on the agreement, Italian companies can provide a green card valid for Russia to their policyholders. Our Group decided to extend TPL coverage also to Russia.
- As part of the review of the Transport Class policies, from January a new Group product was launched called “Fatturato Industriale – Assicurazione dell’Azienda Industriale o Commerciale” (“Industrial Revenues – Insurance for Industrial or Commercial Companies”).
“Fatturato Industriale” insures damages or material losses that goods may occur during transport and completes the category of guarantees offered to industrial and commercial businesses which require transportation of goods purchased or sold from one place to another.
- In March 2009 a new product was launched in relation to accidents and covers the family called “Retail Più Infortuni Smart” (Accident Insurance) which provides a guarantee to Permanently Invalided persons, structured in three fixed premiums which according to the premium chosen allows the benefit of different insurable sums. In order to enhance the segments and the products with solid profitability, new multi-guarantee products were launched, such as: “Retail Più Casa Smart” (Home Insurance), providing pre-packaged combinations which allow a ready sale to clients interested in entry-level coverage within a strategic segment, “Commercial Classic” - the first product of the Classic Line, upon which the new strategies were drawn up, both in the provision of products (continual collaboration among the Group structures and with agents), and in the drawing up of insurance solutions (tariffs, issuing programmes and language). According to the mission of this product line, “Commercial Classic” allows for tailor-made contracts for the client, maintaining a price level in line with the products replaced.
- As part of the review of the health products, from April new versions were available of “Sanicard Salute” (“Sanicard Health”) and “Sanicard Rinnovo Garantito” (“Sanicard Renewed Guarantee”).
For “Sanicard Salute” an amendment to the contractual duration was made. The policy has a maximum length of 5 years in the case of the insured person having reached 51 years of age. Longer durations are allowed only if the insured party is of a lower age.
For “Sanicard Rinnovo Garantito”, a tariff review was put in place for each age category. It will also only be possible to sign a new policy for parties who have not yet reached 46 years of age while the renewal period will be reserved for insured parties who have not yet reached 56 years of age. In April 2009 a new edition of the “Sai Salute IPM” product was launched, no longer based on gender, in accordance with the latest legislative requirements introduced with the new ISVAP regulation No. 30 in relation to “Parity of treatment between men and women in the access of insurance services”.

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- For the coverage of risks relating to factories, the product called “Difesa Più Fabbricati Full” (“Full Factory Protection”) was launched as well as “Retail Più Fabbricati Classic” (“Classic Factory Insurance”). The new products allows the quantification of the implied risks through new segmentation criteria, the consolidation of the technical controls, the encouragement of multi-guarantee sales and allows for mutuality also within a single contract. A cluster mechanism was also created to manage changes relating to the age of buildings, favouring at the same time newly constructed buildings.
 - In the half year, restyling activities of the Traffic Accident products began which allow for a “Ritiro Patente” (“License Loss”) guarantee to update the contents in line with the further regulations introduced by ISVAP regulation No. 29 on the classification of risks. In relation to the new regulation, a new edition of the “License Loss” product was launched.

Life Division

- From 11/2/2009 the Individual Life product list was expanded with a new annual premium product called “Open Bravo”.
“Open Bravo” focuses on a very wide market - all family members in which at least one child is aged between 0 and 12, offering the client the possibility to provide a sum to children when they become adults.
- From 16/2/2009 and for a placement period concluded on 16/3/2009, a new product called “Valore Certo” (“Certain Value”) was available to Customers (only for individuals).
The product caters for the current instability and crisis within the financial markets, which offers clients the opportunity to take up investment solutions based on certain yields and solidity guarantees.
The previous edition was met with an extremely positive reception. For this reason, the Group is committed once again to guarantee a competitively high yield, compared to the other products available on the market, confirming once again the quality of the products offered.
- On May 5, the launch took place of the new Life product called “Valore Sicuro” (“Sure Value”), an Index-linked product which is principally characterised by the fact that the Company directly guarantees to the client the repayment of the nominal capital on the maturity of the contract. An aspect which, with the optional component (with a potential addition of 48% maximum yield), makes “Valore Sicuro” (“Sure Value”) a product capable of satisfying the needs of a significant proportion of our reference market.

Key Group data

(in Euro millions)

1st Half 2009 1st Half 2008

| | | |
|--------------------------------------|-------|--------|
| Net profit * | 32 | 261 |
| Total Gross premiums written | 6,449 | 5,927 |
| of which: | | |
| Gross Non-Life premiums written | 3,706 | 3,799 |
| Gross Life premiums written | 2,743 | 2,128 |
| Investment policies written | 28 | 256 |
| APE | 253 | 189 |
| | | * |
| Combined ratio – Non-Life Sector | 101.8 | 93.8 * |
| | | * |
| Expense ratio of the Non-Life sector | 21.3 | 21.3 * |
| | | * |
| Expense ratio of the Life sector | 5.5 | 6.5 * |

(in Euro millions)

30/06/2009 31/12/2008

| | | |
|--|--------|--------|
| Investments | 35,598 | 33,438 |
| Net technical reserves - Non-Life Division | 10,619 | 10,645 |
| Net technical reserves - Life Division | 19,910 | 17,843 |
| Shareholders' equity | 3,757 | 3,895 |

* The result includes the minority interest share.

** The data at 31/12/2008 is restated in line with the effects of the Bersani Decree as detailed on page 34 of the present Report.

OPERATIONAL PERFORMANCE

The consolidated half-year report at 30/6/2009 includes the recommendations of ISVAP Regulation No. 7/07 and was prepared in accordance with article 154 of Legislative Decree 58/98 and subsequent modifications and based on the regulations for the preparation of financial statements applying the same accounting and consolidation principles utilised for the preparation of the consolidated financial statements at 31/12/2008. In particular, the balance sheet and income statement data was prepared as per accounting standard IAS 34 relating to interim accounts. In the preparation of the interim data, the application of the accounting principles and policies for the financial statements require, as also recalled in the notes, a greater recourse to estimates and projections.

The data therefore has the function of representing in a reasonably reliable manner the financial position of the Group at June 30 and of providing information on the principal risks and uncertainties for the remaining six months of the year.

Pursuant to CONSOB Communication No. DEM/6064293 of 28/7/2006 and CESR recommendation in relation to alternative performance indicators, it is reported that the principle indicators utilised in the present report are in line with best market practices and the principle academic theories; where there are indicators that do not comply with the above-mentioned requisites the necessary information is provided in order to understand the calculations utilised.

Consolidated Income Statement

The table below reports the results in the first six months of 2009 compared to the same period of the previous year and for the full year 2008.

| (in Euro thousands) | 30/06/2009 | 30/06/2008 | Changes | 31/12/2008 |
|---|---------------|----------------|------------------|----------------|
| Net premiums | 6,216,493 | 5,709,572 | 506,921 | 11,153,553 |
| Net charges relating to claims | 5,937,473 | 4,235,205 | 1,702,268 | 8,965,047 |
| Net commissions | 19,382 | 25,472 | (6,090) | 56,708 |
| Net income of the investments (*) | 398,527 | 590,193 | (191,666) | 909,502 |
| Net Income from financial instruments recorded at fair value through profit or loss | 417,627 | (403,385) | 821,012 | (341,548) |
| Management expenses | 967,757 | 981,824 | (14,067) | 1,930,496 |
| Management expenses on investments and interest expense | 64,382 | 82,718 | (18,336) | 162,798 |
| Other income and charges | (55,968) | (247,616) | 191,648 | (545,382) |
| Profit before taxes | 26,449 | 374,489 | (348,040) | 174,492 |
| Income taxes | (5,950) | 113,214 | (119,164) | 83,728 |
| Net Profit | 32,399 | 261,275 | (228,876) | 90,764 |
| Profit from discontinued operations | - | - | - | - |
| Consolidated profit | 32,399 | 261,275 | (228,876) | 90,764 |
| Minority interest profit | 11,620 | 52,846 | (41,226) | 3,355 |
| Group profit | 20,779 | 208,429 | (187,650) | 87,409 |

(*) Consolidated income statement accounts +1.4 + 1.5 – 2.3 – 2.4 (excluded 2.4.1)

The results for the half year, although still slightly positive, represent a significant decrease on the first half of 2008, principally for the following reasons:

- a worsening of the technical performance of the Non-Life Division due to a reduction in the Motor premiums and a general increase in the average costs, compounded also by the tragic natural events in April in the Abruzzo region;
- the lengthening of the effects of the current economic-financial crisis which led to lower income from investments, following low interest rates and the significantly lower amount of dividends from investments, along with the losses from the valuation of financial instruments in portfolio under the current impairment policy of the Group (an effect of Euro 64.6 million compared to no impact in the first half of 2008);
- therefore, a lesser contribution of the Life Division to the stabilisation of the results.

The key consolidated results in the half-year were as follows:

- The half-year **consolidated profit** was Euro 32.4 million (Euro 261 million in the first half 2008), of which Euro 20.8 million attributable to the Group and Euro 11.6 million attributable to minority interests.
- The overall **technical performance** in the insurance sectors report a decrease of the premiums written in the Non-Life sector (-2.4%) and a strong increase in the Life sector (+28.9%), with a significant contribution from the bancassurance companies.
- The **Non-Life Insurance Division** reports a pre-tax profit of Euro 25 million, a sharp decrease on the first half of 2008 (Euro 285 million). The technical result was affected by the charges provisioned for the recent catastrophic events in the Abruzzo region, and the general increase in the average costs of claims, with a consequent need for a strengthening of the claims reserves. In particular, the Land Vehicle and General classes recorded an increase in frequency and insufficient reserves from previous periods. The charges from the amortisation of the long-term commissions capitalised in previous years are added to this (and as noted, no longer capitalised as per the Bersani regulations) with a negative impact on the income statement of the segment for Euro 34.5 million. On the other hand the Motor TPL Class, although reporting a further drop in the claims both caused and managed, reports a generalised decrease in profits due to a premium decrease following strong price competition and higher reserve provisions.
- The **Life Division** reports a pre-tax profit of over Euro 22 million (Euro 82 million in the first half of 2008): the decrease on the previous year is due in large part to the valuation losses on AFS financial instruments (amounting to Euro 50 million, gross of any shadow accounting effect). However, the data in the first half of 2008 benefited from the gain of Euro 29 million from the sale of Po Vita.
- The **Real Estate Division** reports a pre-tax loss of approx. Euro 23 million (Euro -12 million in the first half of 2008), prevalently due to the subsidiary Immobiliare Lombarda in relation to management costs and interest expense not offset by significant sales outside the Group. Following the positive outcome of the takeover bid of Immobiliare Lombarda in 2008, the internal restructuring plan is at a concluding phase which rationalises and controls the operating activities of the real estate activities. Reference should be made to other parts of the present report on the implementation of the project.

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- The **Other Activities sector**, which includes the companies operating in the financial sector and asset management, report a pre tax profit of Euro 3 million (Euro 19 million in the first half of 2008), following the difficulties in the financial markets which precluded the booking of significant gains.
 - The **gross technical reserves** amounted to Euro 31,376 million (Euro 29,322 million at 31/12/2008) of which Euro 11,273 million in the Non-Life Classes and Euro 20,103 million in the Life Classes.
 - The total **management expenses**, excluding those relating to the management of investments, amounted to Euro 968 million (Euro 982 million in the first half of 2008). In the Non-Life sector, these expenses amounted to Euro 776 million and represent 20.9% of premiums (Euro 806 million in the first half of 2008, 21.2%), while in the Life sector the total amount of the expenses was Euro 150 million and accounted for 5.5% of premiums (Euro 139 million, 6.5%). The total expense ratio on the premiums amounted to 14.4% compared to 15.9% in the first half of 2008 and includes the above-mentioned capitalised commissions reversal.
 - The **net commissions** for financial services amounted to Euro 19 million (Euro 25 million in the first half of 2008). Of these, approximately Euro 16 million relate to the Other Activities sector, while the residual amount refers to the Life sector.
 - **Net income from financial instruments recorded at fair value through profit and loss** amounted to Euro 418 million (cost of Euro 403 million in the first half of 2008). This account includes the net income from financial assets where the risk is borne by the policyholders (positive for Euro 386 million although offset by the correlated increase in net charges relating to Life Division claims) and residually the adjustment to the fair value of financial instruments belonging to the sector.
 - Excluding the contribution of the net income deriving from financial instruments at fair value through profit or loss, the **total net income from investments**, including net charges from investments in subsidiaries, associated companies and joint ventures of Euro 3 million, amounted to Euro 399 million (Euro 590 million in the first-half of 2008). Interest income contributed Euro 426 million, other net income Euro 66 million and valuation losses, net of the relative revaluations, approx. Euro 90 million. The gains and losses to be realised resulted substantially in breakeven.
 - The **investment management expenses and interest expenses** amounted to Euro 64 million, of which Euro 59 million referred to interest on Group debt.
 - **Other revenues and costs** amounted to a cost of Euro 56 million (Euro 248 million costs in the first half of 2008). The account includes amortisation and depreciation on intangible and fixed assets totalling approx. Euro 48 million.
The reason for the improvement in the result in the period is due to the reversal of Euro 150 million during the half-year relating to the provision made in the previous year by the subsidiary Popolare Vita against restructuring charges of the index linked policies with underlying securities of Lehman Brothers, charges whose amount become certain only in the first part of the present year. The counter-entry to this amount is the write-down to the recovery rate estimated by the Group of the Lehman securities to service the above-mentioned index policies, whose effects were already prudently recorded in 2008 through the accrual in the afore-mentioned provision.
 - The **income tax** charge was minimal which also includes the positive effect gained by the Parent Company and Milano Assicurazioni through the possibility afforded under article 1, paragraph 48 of Law 244/07 to re-align the book and tax values of assets with a positive effect of approx. Euro 12 million on income taxes in the period.

The result for the period was not impacted by significant non-recurring or unusual operations compared to the normal operations of the company.

With EU Regulation No. 1247 of 17/12/2008 a new version of IAS 1 was published. The new version continues the convergence with US accounting principles; in particular it includes the introduction of an income statement more related to the Anglo-Saxon basis of “comprehensive income”. The comprehensive income statement also includes equity movements not reflected in the income statement.

The insurance sector, as noted, is subject to publishing mandatory statements issued by the Supervisory Authority under Regulation 7/2007: in order to allow the comparability and understanding of such, in the current half year statements it was considered that a “free form” income statement (and therefore not previously agreed) could result in a difficulty in consultation. The principal information required by IAS 1 is easily digestible from the statement of changes in shareholders’ equity, together with the comments in the notes.

While awaiting a common “format” agreed upon with the Supervisory Authority, to facilitate the interpretation of the data and in line with that indicated in IAS 1, the following principal changes in the shareholders’ equity according to the best market practice and in line with the statement of changes in shareholders’ equity set out by ISVAP Regulation No. 7/2007 are provided.

| (in Euro thousands) | 30/06/2009 | 30/06/2008 |
|---|---------------|------------------|
| Net profit for the period | 32,399 | 261,275 |
| Other items of the Comprehensive Income Statement | | |
| Net change in fair value of financial assets available-for-sale | (42,102) | (607,456) |
| Transfer to income statement of the financial assets available-for-sale | 36,517 | (21,391) |
| Exchange differences on the conversion of foreign financial statements | (5,260) | 1,516 |
| Change in gains and losses on cash flow hedges | (2,537) | 16,808 |
| Change in actuarial gains and losses | (640) | (899) |
| Change in other reserves | (57) | 6,049 |
| Correlated fiscal effect | (14,976) | 90,092 |
| Total Comprehensive Income Statement for the period | 3,344 | (254,066) |
| Total Comprehensive Income Statement attributable to: | | |
| Group | (8,580) | (223,136) |
| Minority interests | 11,924 | (30,870) |
| Total Comprehensive Income Statement for the period | 3,344 | (254,006) |

The comprehensive income statement, illustrated above, was significantly impacted by the financial crisis and the consequent stock market prices of financial instruments classified as Available for Sale. The comparison between June 2009 and the corresponding period of the previous year shows a significant improvement in 2009 of the overall losses recorded.

The above statement is also provided in accordance with research document No. 143 issued by Assirevi. The changes are all shown gross of the tax effects which are included in the total of the relative account. The net changes in the fair value of the financial assets available-for-sale are shown net of the shadow accounting effects.

Last July 14, IASB issued in public consultation the Exposure Draft “Financial instruments: Classification and Measurement”, establishing the deadline for any comments as September 14. The Exposure Draft (ED) is the first result of a complex review project of IAS 39 which the IASB developed in three phases: the first relates to the classification/valuation of financial instruments, subject of the ED published on 14/7; the second phase relates to the impairment methodology; the third relates to the “Hedge Accounting” review. The approval of the ED relating to the final two phases is expected by the end of the year.

The IASB project, which will substitute IAS 39, should be completed by 2010 with the mandatory entry into force of the new regulations not before January 2012.

It is certain that these amendments will have a significant impact on the comprehensive income statement results.

Premiums Written

The first half of 2009 reported total premiums written of Euro 6,449 million (+8.8%), broken down as follows:

| (in Euro thousands) | 1 st Half 2009 | 1 st Half 2008 | Change % |
|---------------------------------|---------------------------|---------------------------|-------------|
| <u>DIRECT PREMIUMS</u> | | | |
| Non-Life Division | 3,700,965 | 3,786,202 | (2.25) |
| Life Division | 2,742,577 | 2,126,913 | 28.95 |
| Total direct premiums | 6,443,542 | 5,913,115 | 8.97 |
| <u>INDIRECT PREMIUMS</u> | | | |
| Non-Life Division | 4,611 | 12,148 | (62.04) |
| Life Division | 930 | 1,339 | (30.55) |
| Total indirect premiums | 5,541 | 13,487 | (58.92) |
| TOTAL | 6,449,083 | 5,926,602 | 8.82 |
| of which: | | | |
| Non-Life Division | 3,705,576 | 3,798,350 | (2.44) |
| Life Division | 2,743,507 | 2,128,252 | 28.91 |

Segment Income Statement

(Euro thousand)

| | | Non-Life Insurance Sector | | Life Insurance Sector | | Real Estate Sector | | Other Sectors | | Inter-segment Eliminations | | Total | |
|-------|--|---------------------------|-------------------|-----------------------|-------------------|--------------------|-----------------|-----------------|-----------------|----------------------------|-----------------|-------------------|-------------------|
| | | 30/06/2009 | 31/12/2008 | 30/06/2009 | 31/12/2008 | 30/06/2009 | 31/12/2008 | 30/06/2009 | 31/12/2008 | 30/06/2009 | 31/12/2008 | 30/06/2009 | 31/12/2008 |
| 1.1 | Net premiums | 3,487,277 | 3,594,836 | 2,729,216 | 2,114,736 | 0 | 0 | 0 | 0 | 0 | 0 | 6,216,493 | 5,709,572 |
| 1.1.1 | Gross premiums | 3,658,877 | 3,737,547 | 2,743,508 | 2,128,252 | | | | | | | 6,402,385 | 5,865,799 |
| 1.1.2 | Premiums ceded to re-insurers | -171,600 | -142,711 | -14,292 | -13,516 | | | | | | | -185,892 | -156,227 |
| 1.2 | Commission income | | | 20,595 | 29,148 | | | 23,694 | 25,275 | -934 | -801 | 43,355 | 53,622 |
| 1.3 | Income and charges from financial instruments at fair value through profit or loss statement | 74,630 | -23,957 | 337,406 | -383,583 | -54 | -11 | 5,645 | 4,166 | 0 | | 417,627 | -403,385 |
| 1.4 | Income from investments in subsidiaries, associates and joint ventures | 75 | 320 | | 29,833 | 1,539 | 21 | 18 | | -18 | | 1,614 | 30,174 |
| 1.5 | Income from other financial instruments and property investments | 188,322 | 247,515 | 358,583 | 358,081 | 23,206 | 21,729 | 45,831 | 86,427 | -14,982 | -37,626 | 600,960 | 676,126 |
| 1.6 | Other revenues | 180,757 | 82,786 | 180,807 | 27,817 | 85,261 | 71,042 | 258,366 | 146,571 | -333,588 | -127,115 | 371,603 | 201,101 |
| 1 | TOTAL REVENUES AND INCOME | 3,931,061 | 3,901,500 | 3,626,607 | 2,176,032 | 109,952 | 92,781 | 333,554 | 262,439 | -349,522 | -165,542 | 7,651,652 | 6,267,210 |
| 2.1 | Net charges relating to claims | -2,673,293 | -2,440,941 | -3,264,180 | -1,794,264 | 0 | 0 | 0 | 0 | 0 | 0 | -5,937,473 | -4,235,205 |
| 2.1.2 | Amounts paid and changes in technical reserves | -2,783,875 | -2,507,382 | -3,275,778 | -1,806,905 | | | | | | | -6,059,653 | -4,314,287 |
| 2.1.3 | Reinsurers' share | 110,582 | 66,441 | 11,598 | 12,641 | | | | | | | 122,180 | 79,082 |
| 2.2 | Commission expenses | | | -16,493 | -18,765 | | | -7,480 | -9,385 | | | -23,973 | -28,150 |
| 2.3 | Charges from investments in subsidiaries, associates and joint ventures | -1,536 | -132 | | | -2,821 | -3,224 | -314 | -207 | | | -4,671 | -3,563 |
| 2.4 | Charges from other financial instruments and property investments | -134,605 | -79,132 | -80,274 | -64,562 | -32,098 | -29,368 | -24,070 | -50,196 | 12,458 | 37,851 | -258,589 | -185,407 |
| 2.5 | Management expenses | -778,799 | -810,200 | -152,987 | -144,226 | -232 | -105 | -161,845 | -37,148 | 120,937 | | -972,926 | -991,679 |
| 2.6 | Other costs | -317,801 | -286,111 | -90,582 | -71,719 | -98,095 | -72,214 | -137,203 | -146,364 | 216,110 | 127,691 | -427,571 | -448,717 |
| 2 | TOTAL COSTS AND CHARGES | -3,906,034 | -3,616,516 | -3,604,516 | -2,093,536 | -133,246 | -104,911 | -330,912 | -243,300 | 349,505 | 165,542 | -7,625,203 | -5,892,721 |
| | PROFIT BEFORE TAXES | 25,027 | 284,984 | 22,091 | 82,496 | -23,294 | -12,130 | 2,642 | 19,139 | -17 | 0 | 26,449 | 374,489 |

CONTENTS

CONSOLIDATED HALF-YEAR REPORT AT JUNE 30, 2009

INTERIM DIRECTORS' REPORT 17

- Economic overview and the insurance market.....18

NON-LIFE INSURANCE SECTOR.....29

- The non-life insurance market 30

- Operational Performance33

- Capitalia Assicurazioni S.p.A.40

- DDOR Novi Sad41

- Dialogo Assicurazioni S.p.A.41

- Liguria Società di Assicurazione S.p.A.....42

- Milano Assicurazioni S.p.A.42

- SIAT Società Italiana Assicurazioni e

Riassicurazioni S.p.A.44

- Systema Compagnia di Assicurazioni S.p.A.44

- The Lawrence Re Ireland Ltd45

LIFE INSURANCE SECTOR.....47

- The life insurance market48

- Pensions in Italy49

- Bipiemme Vita S.p.A.55

- Milano Assicurazioni S.p.A.56

- Popolare Vita S.p.A.57

- The Lawrence Life Assurance Company Ltd57

REINSURANCE.....61

REAL ESTATE SECTOR.....65

- Nuove Iniziative Toscane S.r.l.75

- Tikal R.E.75

OTHER SECTORS85

- Banca Gesfid S.A.89

- BancaSai S.p.A.90

- Sai Asset Management SGR S.p.A.92

- Sai Mercati Mobiliari SIM S.p.A.92

- Finitalia S.p.A. 93

- Finsai International S.A. 94

- Fondiaria Nederland B.V. 94

- Sailux S.A. 95

- Sainernational S.A. 95

- Saiagricola S.p.A. 96

ASSET AND FINANCIAL MANAGEMENT 99

- Investments and liquidity 100

- Financial management 101

- Fondiaria SAI S.p.A Group debt..... 105

- Treasury shares, of the holding comp and its subsidiaries 108

- Share performance..... 108

OTHER INFORMATION..... 109

- Group employees 110

- Human Resources 110

- Training at Fondiaria-SAI in the first half year 2009 111

- Cultural and social initiatives 112

- Litigation 115

- Significant events after the period end..... 117

- Outlook 120

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

FINANCIAL STATEMENTS..... 123

- BALANCE SHEET 124

- INCOME STATEMENT 126

- CHANGE IN SHAREHOLDERS' EQUITY 128

- CASH FLOW STATEMENT 130

NOTES TO THE FINANCIAL STATEMENTS..... 133

- PART A - accounting principles 134

- PART B - Information on the Consolidated Balance Sheet 148

- PART C - Information on the Consolidated Income Statement 168

- PART D - Segment Information 176

- PART E - Information on business combinations 180

- PART F - Other information..... 181

- PART G - Transactions with related parties 184

ATTACHMENTS..... 191

INDEPENDENT AUDITORS' REPORT..... 199

Interim Directors' Report

ECONOMIC OVERVIEW AND THE INSURANCE MARKET

International economic overview

There was a slight easing in the negative economic environment in the first quarter of the year. The forecasts of the international institutions agree that, despite the continuance of the deep recession for all of 2009 (the year expected to register the greatest contraction of GDP along with a reduction in employment, income, accompanied by ongoing volatility on the financial markets, with negative repercussions both in consumption and investments), the first signs of stabilisation are however evident. From the middle of March the tensions on the financial markets lessened and there was an easing of the qualitative recessionary indicators.

At the moment of writing, the International Monetary Fund updated the forecasts for the next twelve months, putting GDP growth at approx. 2.5% worldwide, while for the current year the contraction should amount to 1.4%.

The European and Italian markets

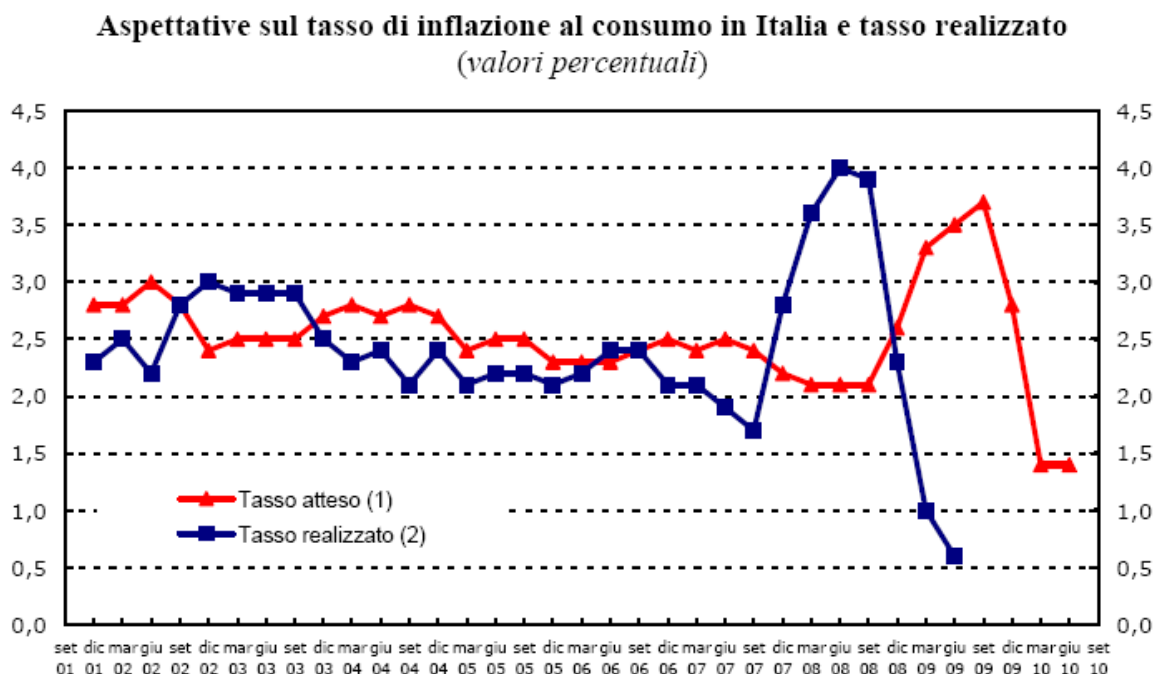
In the first quarter 2009, the GDP of the Euro Area decreased by 2.5% on the previous quarter. This is the most significant decrease since the creation of the Euro. On an annual basis, compared to the first quarter of 2008, the quarterly GDP dropped by 4.9%, while for the fourth quarter of 2008 the drop was 1.8%. In relation to the individual countries within the EU, the worst data related to Germany (-3.8%), followed by the Netherlands (-2.8%) and by Italy and Austria (both -2.6%).

Compared to the first months of 2009, the crisis in the Euro Area has substantially eased off, with a recovery expected by the middle of 2010. Although remaining weak for all of 2009, economic activity should in fact enable stabilisation by the second half of the year, with a gradual recovery from the first quarter of next year. The improvements in the economic forecasts essentially relates to the success of the measures undertaken by the individual Governments which, although heavily affecting public finances, produced structural reforms which were considered of greater necessity following the impact of the financial crisis on the real economy.

The European Central Bank, in its attempts to reduce the effects on the global recession, drastically reduced official interest rates: between October 2008 and the beginning of May 2009, the Council of the ECB lowered the refinancing rate by 3.25 percentage points, to 1% - the lowest ever within the Euro Zone.

The recent evaluations of the Government in the DPEF (the Economic and Financing Programming Document) of July estimate that Italian GDP this year will contract by 5.2%.

Graph 1 – Inflation rate expectations in Italy and actual rates (in %)



Source: June 2009 – survey of the Bank of Italy and *Il Sole 24 Ore* on the inflation and growth rate expectations

(1) inflation rate expectations by businesses for the previous 12 months

(2) inflation rate recorded in the previous 12 months

Following a particularly heavy fall, beginning from the second half of 2007 and worsening in the first half of 2008, the European car market returned to positive results. According to the data published by the ACEA (the European Automakers' Association), in the eighteen Western European markets, 1,382,189 new motor vehicles were registered, a growth of 4.6% on the same period of 2007; considering the figures also for the new members of the European Union, the new registrations amounted to 1,461,859, with a contained growth of 2.4%.

The upturn is essentially related to the incentives put in place by ten Governments, including all the principal countries. One of the principal contributors was Germany, where a particularly generous scrappage sum of Euro 2,500 was paid to those purchasing new vehicles.

In June, the German market in fact grew by 40.5% after recording an average growth rate of 21.3% in the first five months of the year, with figures above 39% both in March and May.

The national scrappage incentive scheme, in place since February 7, resulted in a significant increase in sales also in Italy (+12.4%).

Tab. A – Motor registrations by geographic area

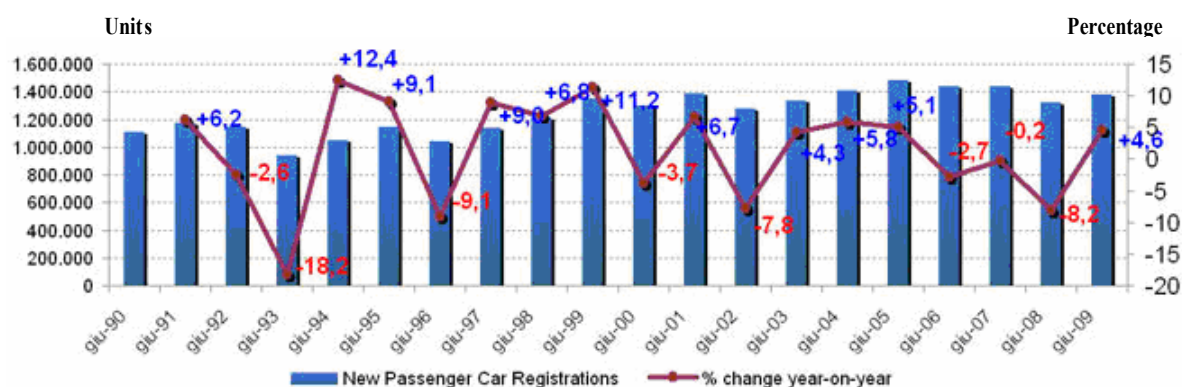
| Country | June 2009 | June 2008 | % 2009/2008 | Jan/June 2009 | Jan/June 2008 | % 2009/2008 |
|-------------------------------|------------------|------------------|---------------|------------------|------------------|---------------|
| Austria | 36,090 | 34,713 | 4.0 | 166,016 | 168,668 | (1.6) |
| Belgium | 43,736 | 50,689 | (13.7) | 273,205 | 330,697 | (17.4) |
| Denmark | 9,024 | 15,386 | (41.3) | 52,501 | 85,469 | (38.6) |
| Finland | 7,905 | 12,155 | (35.0) | 52,067 | 88,043 | (40.9) |
| France | 235,137 | 219,753 | 7.0 | 1,131,315 | 1,128,895 | 0.2 |
| Germany | 427,111 | 304,036 | 40.50 | 2,059,405 | 1,633,169 | 26.1 |
| Greece | 23,219 | 26,553 | (12.6) | 112,804 | 158,546 | (28.9) |
| Ireland | 4,838 | 7,907 | (38.8) | 46,793 | 124,146 | (62.3) |
| Italy | 209,315 | 186,258 | 12.4 | 1,128,361 | 1,263,135 | (10.7) |
| Luxembourg | 4,028 | 4,902 | (17.8) | 26,472 | 29,902 | (11.5) |
| The Netherlands | 35,862 | 48,233 | (25.6) | 221,652 | 300,113 | (26.1) |
| Portugal | 16,045 | 20,979 | (23.5) | 73,129 | 114,414 | (36.1) |
| Spain | 96,706 | 114,960 | (15.9) | 433,077 | 702,371 | (38.3) |
| Sweden | 22,393 | 23,959 | (6.5) | 102,794 | 139,511 | (26.3) |
| United Kingdom | 176,264 | 209,190 | (15.7) | 924,955 | 1,247,479 | (25.9) |
| European Union (EU 15) | 1,347,673 | 1,279,673 | 5.3 | 6,804,546 | 7,514,558 | (9.4) |
| EFTA ** | 34,516 | 41,287 | (16.4) | 176,105 | 221,575 | (20.5) |
| EU 15+EFTA | 1,382,189 | 1,320,960 | 4.6 | 6,980,651 | 7,736,133 | (9.8) |
| <i>EU (New Members)</i> | <i>79,670</i> | <i>106,666</i> | <i>(25.3)</i> | <i>445,111</i> | <i>610,695</i> | <i>(27.1)</i> |
| European Union * | 1,427,343 | 1,386,339 | 3.0 | 7,249,657 | 8,125,253 | (10.8) |
| TOTAL EUROPE (EU+EFTA) | 1,461,859 | 1,427,626 | 2.4 | 7,425,762 | 8,346,828 | (11.0) |

Source: ACEA and ilSole24Ore (July 2009)

(*) EU 27 including Bulgaria and Romania (Malta and Cyprus not available)

(**) EFTA: Iceland, Norway, Sweden

Graph 2 – Motor registrations by geographic area (in %)



Source: ACEA and ilSole24ORE (July 2009)

Results in Western Europe 1990-2009

The insurance sector

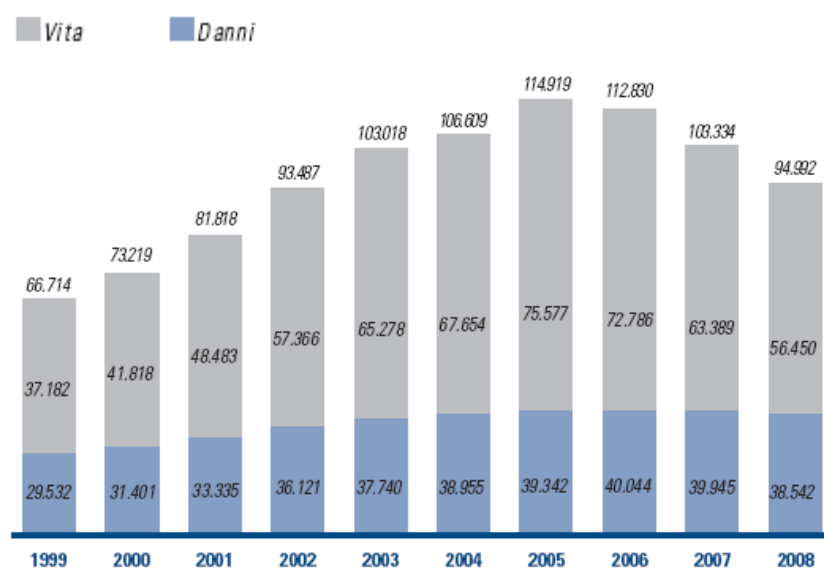
In the overall negative economic scenario, our financial, banking and insurance system, previously considered prudent and traditional, however demonstrated itself able to guarantee development in the medium and long term, despite financial results inevitably affected by the crisis.

Overall, the Italian insurance industry reacted to the global economic problems better than other countries, allowing the sector to maintain a level of adequate capitalisation, although with a general reduction in profits.

In fact, at the end of 2008 insurance companies reported a solvency margin of Euro 36.8 billion against a required capital of Euro 18.1 billion. In particular, the margin for the Non-Life Sector (Euro 17 billion) was 2.63 times the level of the minimum solvency margin (Euro 6.5 billion). In the Life Division, the margin held (Euro 19.8 billion) was 1.71 times the minimum required by law (Euro 11.6 billion).

In 2008, direct Italian premiums decreased by 7.2%, in line with the previous year (-7.0%). The contraction was principally based in the Life Sector, as premiums dropped by 11.2% due to the preference of Italian savers to invest in defensive banking instruments in the final part of the year, and an aversion by households to financial-insurance products. The premiums related to traditional policies significantly increased however, which guaranteed the policyholders the repayment of capital and a contractually agreed minimum yield.

Graph 3 – Gross premiums, total business (in Euro millions)



Source: ANIA – Italian Insurance 2008-2009.

The direct Non-Life premiums decreased by 0.5% (growth of 1.3% in 2007). The technical result of the Non-Life Division was a profit of Euro 375 million, amounting to 1.1% of premiums; in 2007, they amounted to Euro 2.8 billion (8.0% of premiums). The significant decrease is due to the increase in claims charges (3.1%) and the strong reduction in investment income (-6.1%).

The percentage of management expenses on premiums, amounting to 24.7%, remained at the levels reached in 2007 (however in 2006 they amounted to 23.6% before the issue of the so-called Bersani Decree in relation to insurance).

The comprehensive sector results for the insurance industry showed a loss of nearly Euro 2 billion, due in large part to the significant reduction in the extraordinary component which halved on the previous year (Euro 0.8 billion compared to Euro 1.5 billion in 2007).

For the second consecutive year, the actuarial reserves, amounting to Euro 352 billion, decreased (-6.8% in 2008 and -2.3% in 2007), principally due to the problems within the financial markets. Net premiums, defined as the difference between premiums and the claim charges, were negative for Euro 10.9 billion (negative for Euro 12.8 billion in 2007).

Regulatory framework

With reference to the principal regulatory norms concerning the Italian insurance market in the first half of 2009, the following information is provided.

Direct compensation

Presidential Decree No. 28 of 8/2/2009 published in the Official Gazette of 2/4/2009 modifies article 13 of the Regulation enacting the procedure for the direct compensation between insurance companies (Pres. Decree No. 254/2006). The amendment to paragraph 2 of article 13 provides that the compensation between companies participating within the direct compensation system can also be made on the basis of differentiated average costs for large vehicles in addition to, as in the current system, for physical damage and property damage (this latter differentiated for a maximum number of three similar territorial macro areas).

For claims from January 1, 2009, the compensation will be regulated as follows:

- the following flat rates for the three geographic areas, for damage to the vehicle and other material damage belonging to the owner or the driver of the vehicle: Euro 1,658, Euro 1,419, Euro 1,162;
- the same flat rate established for 2008, both for minor damage suffered by the driver in the amount of Euro 3,250 and for the repayment of damage compensated to third parties (including personal damage and property damage) for Euro 3,300.

The differentiation criteria of the flat rate can be applied alternatively or jointly with the only limit to excessive fragmenting of the average cost to be used as a basis for the compensations. Each change to the compensation system must be for a period of not less than one year and will be established by decree of the Economic Development Ministry, having consulted ISVAP and the Technical Committee for the determination of the flat rate.

With the new formulation of the regulation, the reference flat rates for the compensation between participating companies to the direct compensation system may be differentiated for those categories of vehicles (motorcycles and mopeds) which in the first two years of the direct compensation procedures were penalised by inadequate compensation values in relation to their frequency and average cost.

Motor TPL claims databank

Having heard the Controller for the protection of personal data, on June 1 ISVAP issued Regulation No. 31 which introduced significant improvements in the utilisation and the functionality of the Motor TPL claims databank operated by the Authority.

The Regulation enacts article 135 of the Private Insurer's Code and article 120 of the Code for the protection of personal data which gives ISVAP the power to regulate the significant material aspects (method of transmission of data by the companies, organisational procedures and functioning procedures of the databank, consultation conditions by the judicial bodies and by relevant public administrations in relation to the prevention and fight against fraud within the sector and conditions of and limits to access by the insurance companies).

In summary, the Regulation seeks to make the consultation of the databank faster and more efficient, with a significant improvement in the "visibility" of the information relating to claims recorded benefiting from a larger amount of parties involved and in particular of those from the settlement structures of the insurance companies.

The Regulation in particular introduced new aspects on the regulations operative since 2001, such as:

1. reduction of the information subject to the transmission obligation;
2. reorganisation of the manner of transmission of data by the company which manages the claim, guaranteeing a timely update in accordance with cost criteria;
3. restructuring of the output provided in relation to the new consultation online methods (with the immediate publication of the information) and batch information (deferred until the transfer of the file), in order to facilitate the systematic utilisation of the claims databank as an efficient and common instrument in the fight against fraud in the obligatory Motor TPL insurance sector.

Long-term policies

At the moment of writing, the Legislature had approved the decree for the restatement of the long-term Non-Life policies. The Ministry of Economic Development was formally requested to convene a meeting allowing all of the players in the insurance market to better understand the views of the Government in relation to the liberalisation of the insurance market.

Increase in maximum coverage

In order to conform with the Fifth EU Motor Directive, enacted in Italy by Legislative Decree 198/07 in order to render uniform the governance of the Motor TPL insurance market throughout the European Union, from December 11 the maximum minimum payment for Motor TPL insurance will by law be increased from the current Euro 774,685.35 per claim to Euro 3 million, finally to be increased to Euro 6 million by 11/6/2012.

Fonditaria-SAI is responding to the application of the directive with a gradual adjustment of the minimum maximum coverage which provides for intermediary steps and through a promotional campaign undertaken by the Agencies.

The new maximum levels will have a greater impact, although moderately, on the final price of the Motor TPL guarantee, as the insurance company assumes higher risk with each individual customer. Therefore, Fonditaria-SAI since 2007 has undertaken an information campaign at the moment of the issue of the contract, informing its customer base so that they are updated on the current policy. In addition to the intentions of the Legislature, the increase in the maximum limit represents greater security and tranquillity for both the drivers and owners of the vehicles. In fact, in the case of an accident, where the maximum agreed amount in the policy is exceeded, these parties would by law be financially responsible to compensate the damaged party from their own resources.

Motor TPL Estimator

In recent months, ISVAP made available the Motor TPL estimator, consultable online both on the site of the Supervisory Body and on that of the Ministry for Economic Development. The “TuOpreventivatiOre” service is an online instrument to compare, based on your budget, the Motor TPL estimates of 65 insurance companies. The service is free and anonymous: to activate it, the user must respond to a questionnaire, providing a valid e-mail address where the estimate is received.

For simplicity, the estimator takes into consideration the most common policies, or rather those based on a bonus malus tariff formula, on the maximum minimums by law, in relation to “open driver” (the guarantee of the company irrespective of who is driving in relation to the claim) and “expert driver” (in this case if at the moment of the claim the driver of the vehicle is under 26 years of age, the company can obtain recourse from the insured party).

Once the information on prices has been acquired through the online service, the user is directly put through to the companies and the intermediaries for the purchase of the chosen policies.

The estimates given by the system are binding on the companies for at least 60 days from the date of reception and not beyond the duration of the tariff.

Access to insurance services: parity of treatment between men and women

On June 20, the ISVAP regulation relating to the parity of treatment between men and women in the access of insurance services came into force. The new regulations will be applied to insurance tariffs drawn up after the application date, and also to contracts in force at June 20 for which options are set out which imply a difference based on gender.

Among the new issues, it was established that there may not be differences in premiums or in individual services based on costs inherent to pregnancy or maternity. The actuary, in the determination of a new tariff and without statistically sound reasons, who draw ups different premiums based on gender must communicate within 15 days the reasons for such discrimination to ISVAP.

Versatility of the pension funds

The minimum period of 2 years subscription to a pension fund expired on July 1 and is applicable to all workers under the silence-absence rule. The employee subscribing, tacitly or explicitly, to the complementary pension, pursuant to Legislative Decree 252/2005 will not have the option to return to the old payment method, but may change within the integrated pension system. This versatility permits a change in subscription from one pension type to another after two years from the subscription to a complementary pension form. The regulation establishes also the ban on contractual clauses which limit the portability of the contributive position, such as the cost of transfer and the full extension of the fiscal exemption is provided for.

Regulation of policies with services directly related to market indices or other reference values

In June, ISVAP issued Regulation No. 32 regarding the governing of Life policies directly related to stock market indices or to another reference value (so-called index-linked).

Following the noted recent crises which led to the unexpected default of issuing banks such as Lehman Brothers and the Icelandic Banks, this action forms part of the multiple initiatives undertaken by the Authority aimed at protecting those who subscribe to particular types of contracts in relation to Life insurance, containing a high level of financial components, usually linked to stock market index values and/or other market values, broken down into varying risk profiles for the insured party.

Among the principal new issues introduced by the new regulations we highlight:

- the admissibility of only “external” indices to the insurance company. The indices allowed are limited to those publicly quoted, utilised by the financial community, calculated by independent parties based on predefined and subjective criteria and on financial instruments traded on liquid and active markets;
- the company will fulfil at least one of the three risk investment profiles set out by the laws in force in relation to the solvability margin; “performance risk”, “base risk” and “counterparty risk”. However, there are reductions in the capital requisites for specific categories;
- the companies must cover the technical reserves investing, with the maximum accuracy possible, directly in the assets which compose the equity indices or the other reference value or through the use of adequate security and trading which is best suited to that in which the share index or other reference value is based. The coverage of the technical reserves will no longer be guaranteed automatically by the internal parameter process, but must be established through the acquisition of suitable assets to directly or indirectly establish the pay off included in the policy.

“Illiquid” products

On March 2, 2009, CONSOB (with communication No. 9019104 of March 2, 2009) has introduced more rigorous regulations in terms of both transparency and conduct of the brokers involved in the distribution of financial products such as bank bonds, financial insurance policies, over-the-counter market brokered derivatives (and in general all “illiquid” products). This communication is included within the “level 3” measures on Brokerage regulation and is based on an interpretive reading of the general existing regulations, with specific reference to the dealing of illiquid financial products to retail clients.

A financial product is considered illiquid if the bearer of the same has difficulty to sell or resell it in a reasonable timeframe, at conditions which attract a reasonable degree of interest for purchase or sale. In the document, CONSOB has in fact re-stated the definition of “illiquid” also for the financial-insurance products (index-linked, unit-linked and securitisations).

As financial brokerage occurs in an unequal disclosure environment where the complexity of the operation, the costs of information and the financial disclosure culture renders a deficit of information for the client of the intermediaries, the degree of which is directly linked to the type of operation and the nature of the client; the retail client (often with lesser experience and financial knowledge) must place great trust in the assistance of the broker, with particular reference to the evaluation in the adequateness/appropriateness of the transaction and the setting out of the conditions to be applied to the same, in which he/she is not able to assess the suitability of the contract, and often even after the conclusion of the operation.

Moreover, the situation is often more complex due to the crossover of the role of the broker and issuer. The measures set out, aimed at protecting the most vulnerable clients, provides concrete guidelines for the maintenance of a correct relationship between the broker and client to preserve trust in the financial system, safeguarding any eventual undesirable consequences of innovation, without which development would be hindered.

At the moment of writing, the Italian brokers’ associations (ABI, FEDERCASSE and ASSOSIM) have sent to CONSOB their guidelines, based on which the authorities must indicate which trading platforms and family of products may be considered “liquid”, thereby excluding them from the new regulation regime.

The necessary verifications are currently taking place to evaluate – also based on the indications which will most likely be provided by ANIA – if the measures above render it opportune to revise the current organisational and procedural structures of the brokers.

Disclosure obligation and advertising relating to insurance products

We highlight that at the moment of writing, the public consultation relating to the Regulation concerning the governance of disclosure obligations and of advertising relating to insurance products concluded, covered in Section XIII of Legislative Decree No. 209 – 7/9/2005 (transparency of operations and protection of insured parties) of the Private Insurers' Code.

In summary, the disclosure obligations are grouped in three macro categories: periodic documentation, event documentation and structural data, and extending the number of parties required to make periodic communications, including insurance companies, asset management companies and foreign sicav's. The consultation period will conclude on September 30.

Class Action

The provisions on class actions, approved by the 2008 Finance Act, demonstrating the increasing protection of consumers and the liberalisation process in course in recent years in Italy was postponed to 2010 following significant adjustments to the original text.

The Class Action may be taken out against unfair commercial practices, illegal non-contractual acts, anti competitive behaviour and violation of standard contracts. The premise is always that a large number of consumers and users must be harmed.

Only 11 Italian courts will accept Class Action cases: the courts located in the Regional capitals, with regrouping for smaller regions.

The current text approved must become law by July 1 or postponed by six months, after the completion of the parliamentary process.

European Confederation of savers

On June 30 the European Confederation of savers was created (euroinvestors.org), which unites, directly or indirectly, approx. 45 organisations, as well as millions of savers in all categories (individual shareholders, subscribers to investment funds, Life insured persons, bank savers and subscribers to pension funds). The objective of the Confederation is to protect the interests of savers at European level.

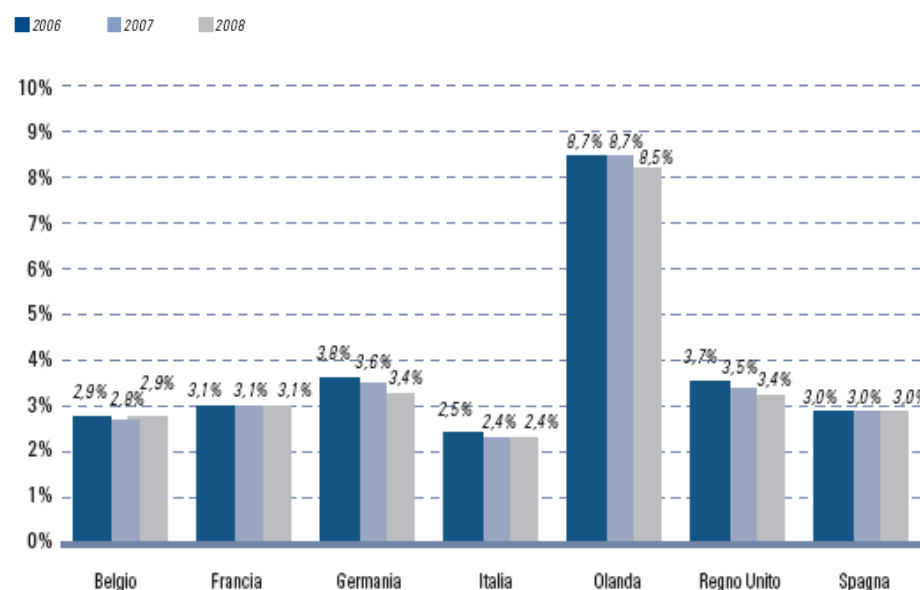
Non-Life Insurance Sector

THE NON-LIFE INSURANCE MARKET

In 2008, direct Italian premiums in the Non-Life market amounted to Euro 37.5 billion, a decrease of 0.5% on the previous year, essentially due to the reduction in premiums in the Motor sector (-3.2%); in the Non-Life sector excluding the Motor classes, premiums however increased (+2.9% on 2007), although a more contained growth rate than in the previous decade.

The percentage on GDP (2.4%) also decreased - lower than the amount in other European countries (3.1% in France and 3.4% in the UK and Germany). If the Motor sector is excluded, the gap with the rest of Europe is more pronounced: the percentage of premiums on GDP amounted to 1.1% in Italy, compared to 2.6% in Germany, 2.5% in the UK and 2.2% in France, once again highlighting the national situation of underinsurance.

Graph 4 – Non-Life Premiums/GDP (in %)



Source: CEA and ANIA – Italian insurance 2008-2009

The cost of claims was slightly less than Euro 15 billion and stable on 2007. Considering that the number of claims (including the 2007 estimates but not yet claimed) amounted to approx. 3.7 million, substantially unchanged on 2007 (+0.3%), the average cost of claims decreased from Euro 4,014 in 2007 to Euro 3,989 in 2008 (-0.6%).

During the hearing of the Price Commission of the Senate in May, Ania highlighted that overall in the last four years the average price of insurance in the Motor TPL class (in terms of premiums received by the companies on the number of vehicles insured) reduced by 8.3% (-1.5% in 2005, -0.8% in 2006, -2.7% in 2007 and -3.6% in 2008). In real terms therefore, net of inflation (9.5% in the period analysed), the average price of coverage in the Motor TPL class decreased in the four year period by approx. 16%.

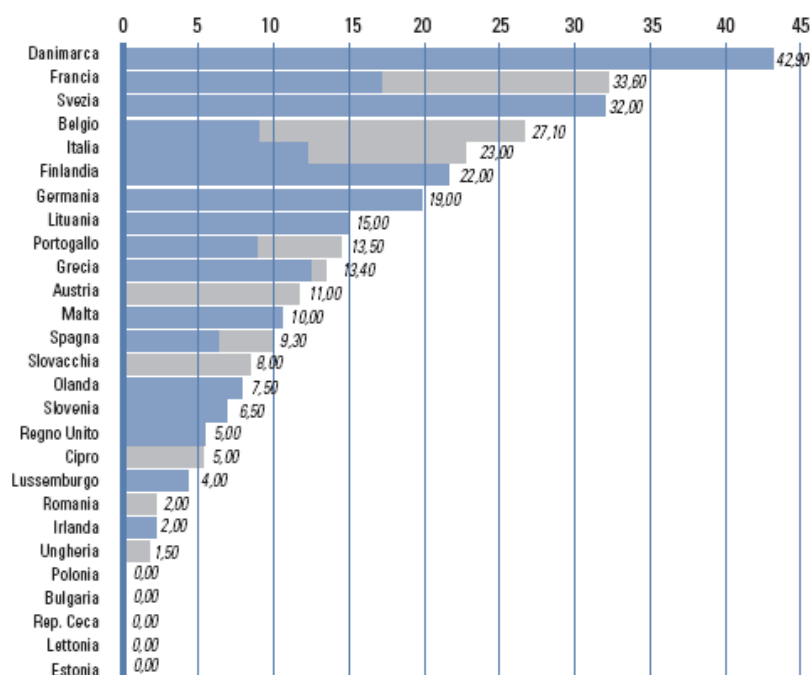
The insurance association underlined that the official recordings of ISTAT and ISVAP were carried out through measurements based on the list prices and are inevitably misleading, as they do not pay heed to the prices effectively paid by the insured party, representing the maximum price for each type of risk.

The variation does not provide therefore a reliable indication on the changes in real expenses for the consumer as they do not take account of:

- the discounts of the individual insurance companies, which increased due to the competition between companies which has intensified and for which a maximum cannot be fixed thanks to law No. 248/2006, (Bersani I decree);
- the bonuses which benefit competent drivers, amounting to approx. 92% of total subscribers;
- the effects of the regulations in relation to bonus/malus clauses introduced by the Bersani bis decree, as these measures inappropriately impose “discounts” determined on the category of insured driver (for example those of the same household who purchased a further vehicle);
- by the fact that there are an increasing number of insured parties (estimated at between 9% and 12%) who change every year seeking insurance companies which offer better prices.

It is also noted that tax and other charges amounting to Euro 23 for each Euro 100 received by the company are imposed on citizens who purchase Motor TPL policies.

Graph 5 – Taxes on Motor TPL premiums



Source: CEA and ANIA – Italian insurance 2008-2009

With particular reference to the direct compensation system, it is noted that in 2008 the percentage of claims under the CARD system amounted to 75.1% of the total claims managed by insurance companies (73.7% in 2007), thanks both to the continual improvement of IT procedures and the inclusion (even if on a voluntary basis) of claims by insured parties with the same company.

The settlement speed also increased to 72.4% of claims fully settled in the first year of observation, compared to 68.9% in 2007.

Unfortunately however it is expected, due to the difficult economic climate, that Non-Life insurance demand will slow further for all of 2009. Premiums in this sector are forecast to reduce on 2008 by 0.8%. In particular, for the Motor TPL segment, after a decrease in premiums of 5.2% in the first quarter of 2009 on the same period of the previous year, a drop for the entire year of between 1% and 2% was estimated, with significant effects on Land Vehicle Premiums (-4%) due to the contraction in sales of new vehicles.

The volume of premiums in the Property sector (Fire and Other Property Damage) will diminish by 1% due to the economic slowdown. An increase in premiums should however occur within the Accident, Health and General TPL classes.

OPERATIONAL PERFORMANCE

At the end of 2008, the **Fondiaria-SAI Group** was the second largest group in the direct Italian consolidated premiums written as per IAS/IFRS, with total premiums in the Non-Life Division of Euro 7.2 billion (market share of over 19%), confirming the strong presence in Italy and its vocation to the insurance business.

In particular, the Group is the leading company in the Motor TPL Class with premiums amounting to 22.75% of the total.

As described in the introduction, the results of the sector were affected by a significant fall off, recording a pre-tax profit of Euro 25 million compared to Euro 285 million in the first half of 2008.

The drop in the profit is principally related to the technical performance which was affected by:

- the drop in premiums in the Motor class;
- the impact of the tragic earthquake in Abruzzo in April;
- the increase in average costs in the Land Vehicle Class and in some General Classes.

Premiums

The Fondiaria SAI Group in the first half of 2009 recorded premiums of Euro 3,706 million (-2.4%).

The direct premiums written amounted to Euro 3,701 million (-2.3%).

The breakdown by division is shown below:

| <u>DIRECT AND INDIRECT BUSINESS</u> (in Euro thousands) | 1st Half 2009 | 1st Half 2008 | Change % |
|---|---------------------------------|---------------------------------|-----------------|
| Accident & Health | 355,686 | 356,303 | (0.17) |
| Marine, aviation and transport insurance | 99,288 | 107,248 | (7.42) |
| Fire and other property damage | 410,815 | 422,791 | (2.83) |
| General TPL | 282,492 | 247,247 | 14.25 |
| Credit & Bonds | 45,695 | 47,429 | (3.66) |
| General pecuniary losses | 20,178 | 14,467 | 39.48 |
| Legal expenses | 10,258 | 9,483 | 8.17 |
| Assistance | 27,488 | 22,929 | 19.88 |
| TOTAL OTHER NON-LIFE DIVISION | 1,251,900 | 1,227,897 | 1.95 |
| Motor vehicle TPL | 2,061,703 | 2,156,527 | (4.40) |
| Motor vehicles – other classes | 387,362 | 401,778 | (3.59) |
| TOTAL MOTOR | 2,449,065 | 2,558,305 | (4.27) |
| TOTAL DIRECT PREMIUMS | 3,700,965 | 3,786,202 | (2.25) |
| INDIRECT PREMIUMS | 4,611 | 12,148 | (62.04) |
| TOTAL NON-LIFE DIVISION | 3,705,576 | 3,798,350 | (2.44) |

The premiums ceded amounted to Euro 172 million (Euro 145 million in the first half of 2008).

The gross claims paid (including indirect) amounted to Euro 2,900 million, a decrease of 1.2% on the first half 2008 (Euro 2,936 million).

Technical reserves, gross of reinsurance, amounted to Euro 11,273 million (Euro 11,282 million at 31/12/2008).

The percentage of management expenses on premiums amounted to 20.9% (21.2% in the first half of 2008), although affected by charges in the period for the amortisation of acquisition commissions (Euro 34.5 million compared to Euro 40.8 million in the first half of 2008).

From the third quarter 2008, the Fondiaria SAI Group has revised the presentation of some of its technical efficiency ratios among which the Combined Ratio, the Combined Operating Ratio and the Expense Ratio, excluding from the calculation the amortisation of the long-term commissions capitalised in previous years.

In fact the abolition, due to the Bersani bis Decree, of the long-term contract obligation on the Other Class policies results in higher charges for the amortisation of these commissions - charges which in turn are not offset by new capitalisations.

It is evident that this factor introduces, in the trend of the technical indicators, distortive elements and provides discontinuity which does not adequately allow the analysis of the operational activities. In line with the decision adopted for the present year, the June 2008 ratios were restated to provide uniform figures.

The table below shows the principal technical indicators in the first half years of 2009 and 2008:

| <i>Data shown in %</i> | 30/06/2009 | 30/06/2008 |
|--------------------------|-------------------|-------------------|
| Loss ratio | 76.6 | 67.9 |
| Expense ratio | 21.3 | 21.3 |
| Combined operating ratio | 97.9 | 89.2 |
| OTI ratio (*) | 3.9 | 4.6 |
| Combined ratio | 101.8 | 93.8 |

() Includes the balance of the other technical accounts.*

The significant reduction in the combined ratio was attributable to the reduction in premiums, the inelasticity of management expenses, which incurred charges for the loyalty of the sales network, and finally the generalised increase in the average cost of claims principally concerning the Land Vehicle and General Classes.

Claims paid and reported

A breakdown of the claims reported and paid on direct Italian business, including the expenses directly attributable to the claim and indirect expenses relating to the settlement structure are shown below:

| | Claims paid | | | Claim reported | | |
|-------------------------------|---------------------------|---------------------------|---------------|---------------------------|---------------------------|---------------|
| | 1 st Half 2009 | 1 st Half 2008 | Change % | 1 st Half 2009 | 1 st Half 2008 | Change % |
| | Euro/thousand | Euro/thousand | | Number | Number | |
| ITALIAN DIRECT | | | | | | |
| PREMIUMS | | | | | | |
| Non-Life Division | | | | | | |
| Accidents | 117,379 | 106,747 | 9.96 | 52,701 | 55,106 | (4.36) |
| Health | 85,551 | 92,731 | (7.74) | 117,745 | 111,089 | 5.99 |
| Railway | - | 244 | (100.00) | - | - | - |
| Aviation | 33 | 295 | (88.81) | 13 | 24 | (45.83) |
| Maritime | 5,103 | 2,213 | 130.59 | 264 | 167 | 58.08 |
| Goods in transit | 6,171 | 3,601 | 71.37 | 1,739 | 1,137 | 52.95 |
| Fire and other natural events | 120,291 | 102,972 | 16.82 | 38,981 | 26,510 | 47.04 |
| Other property damage | 130,217 | 122,800 | 6.04 | 78,051 | 70,535 | 10.66 |
| Aviation TPL | 21 | 1,719 | (98.78) | 2 | 9 | (77.78) |
| Maritime TPL | 702 | - | - | 141 | - | - |
| General TPL | 182,328 | 176,923 | 3.06 | 54,694 | 46,843 | 16.76 |
| Credit | 312 | 157 | 98.73 | 4 | 1 | 300.00 |
| Bonds | 20,068 | 15,573 | 28.86 | 686 | 705 | (2.70) |
| Pecuniary losses | 2,581 | 3,572 | (27.74) | 1,620 | 1,874 | (13.55) |
| Legal expenses | 1,568 | 880 | 78.18 | 1,150 | 1,127 | 2.04 |
| Assistance | 12,704 | 8,862 | 43.35 | 52,751 | 42,465 | 24.22 |
| TOTAL OTHER NON-LIFE | | | | | | |
| DIVISION | 685,029 | 639,289 | 7.15 | 400,542 | 357,592 | 12.01 |
| Motor TPL | 1,682,804 | 1,809,425 | (7.00) | 456,781 | 503,875 | (9.35) |
| Land vehicles | 230,279 | 195,438 | 17.83 | 177,148 | 148,591 | 19.22 |
| TOTAL MOTOR | 1,913,083 | 2,004,863 | (4.58) | 633,929 | 652,466 | (2.84) |
| TOTAL NON-LIFE | 2,598,112 | 2,644,152 | (1.74) | 1,034,471 | 1,010,058 | 2.42 |
| DIVISION | | | | | | |

The Motor TPL Division includes the claims paid for the charges incurred for the management of the claims as “Operator” within the new direct compensation system, net of those recovered as a flat-rate in the CONSAP compensation procedure. With reference to claims reported it is noted that they only refer to claims caused and do not include the relative number of claims in the “CARD Operation” system.

With reference to only the claims managed by the Motor TPL Class (considering therefore the NO CARD and Managed CARD claims) the decreasing trend already shown is confirmed.

With reference to the Motor Classes, the premiums recorded in the first half of 2009 amounted to Euro 2,449 million, a decrease of 4.3% on the first half of 2008. The Motor TPL Class contracted by 4.4%, while the Land Vehicle class remained static at 3.6%.

The Motor Classes were affected by the significant contraction in the registration of new motor vehicles, which in the first six months of 2009 decreased by 10.67%, by the strong competitive pressures following the customisation of products, the diversification of tariffs and the greater application of discounts. The average claim in fact decreased by 2.1% on that recorded in 2008.

Two factors continued to have significant impacts: the effect on the Bonus Malus classes as per Law No. 40 of 2/4/2007, known as the "Bersani bis" (almost 73% of the motor vehicles insured are in the first three bonus classes) and the effects of restructuring the multi-claim portfolio, undertaken in the previous years in accordance with the industrial plan. Both the factors continue to affect the current year.

For the Motor TPL class, from a regulatory point of view, with the introduction in 2008 of the new regulations in accordance with ISVAP No. 2590, lower premium rises are incurred by insured parties involved in claims who are considered of "not principal" responsibility.

In order to offset these regulations, introduced in favour of newly insured parties and of those jointly-responsible for claims determining a higher cost, and in order to offset the natural increase in the cost of claims, from June 1 an increase in the vehicle tariff was introduced of 3.5%.

With reference to the **Parent Company Fondiaria-SAI** the premiums written in the Motor TPL Class amounted to Euro 1,273 million (-4.8%), while the Land Vehicle Class recorded a decrease of 3.0%.

The number of claims in the period amounted to 248,737, a decrease of 6.3%. The number of claims paid was 217,100 (+9.8%).

For the **Motor TPL class**, the claims/premiums ratio, net of the costs for the Guarantee Fund for Road Victims, was 80.34% for the current half year and 80.7% at global level.

The speed of settlement of the current generation on the claims managed (NO CARD Claim + Managed CARD Claims) was 63.2% for the claims in the first six months and 54.85% for the claims in previous years.

On the claims caused, the speed of settlement was 45.8% for the current half year and 50.8% for the previous years.

In the first half of 2009, the claims reported and accepted from our policyholders (including late claims) within the new compensation regime (so-called CARD Managed claims system) amounted to 175,310, of which 120,379 were fully paid.

The reported claims from the clearing houses with CONSAP, in relation to the claims in which our policyholders were in full or in part responsible (so-called CARD Debtor) amounted to 162,508 - of which 99,277 gave rise to the full payment of the indemnity and 63,231 resulted in the recording of a reserve.

For accounting purposes, up to 30/6/2009 recharges were received for a value of Euro 278 million from the clearing house. The amount of the credits received was Euro 265 million.

There was a strong decrease in profitability in the **Land Vehicle Class** which was strongly impacted by the adverse atmospheric conditions in January and February and the hailstorms in May and June.

Price competition and the particularly negative performance of some accessory guarantees such as windshield and vandalism guarantees - which in a period of economic crisis traditionally record an increase in claims - affected the profitability of the Class. Also in this Class, actions have been undertaken to recover sufficient levels of profit. In particular, as well as the already mentioned increase in tariffs, the guarantees with strongly negative performances will no longer be sold individually but only together with fire and theft guarantees, which continue to report a satisfactory level of claims to premium ratio. In order to contain the cost of claims, the windshield repair actions will be channelled through the networks with which conventions have been signed, providing in each case sample checks in order to verify the nature and the quality of the actions.

With reference to the **Non-Motor Classes of the Parent Company** the direct Italian premiums written amounted to Euro 638 million, an increase of 4.4% compared to the first half of 2008. The number of claims reported increased by approx. 13%.

In particular, claims reported in the **Fire Class** increased (+53.3%) due to the adverse atmospheric conditions and natural catastrophes in the first months of the year with coverage in numerous accessory guarantee packages within the above-mentioned Class (e.g. snow overloading) as highlighted in the first quarter. The further deterioration is due to the damage from the earthquake in Abruzzo which involved various policies, particularly those of ASL de L'Aquila in which Fondiaria-SAI has a 30% holding through another Company. To date, in relation to this event the total amount involved is approx. Euro 20 million: the amount is set to increase in the coming months, although mitigated by reinsurance protection.

The technical performance is therefore significantly worse than the first half of 2008.

Motor Repair Project

Auto Presto&Bene is the company of Fondiaria SAI Group formed in order to guarantee the insured party, in the case of claims, maximum reliability and efficiency in the repairs to damage of their vehicles. The Auto Presto&Bene service has been operative since the end of 2008 in Piedmont, Valle d'Aosta and Lombardy.

The Clients of the Fondiaria-SAI Group can avail of an innovative and particularly efficient service, made possible thanks to the exclusive availability of original spare parts and guaranteed repair for life through a network of repair centres throughout Italy, carefully selected by Auto Presto&Bene based on highly specialised requirements, such as the ability to carry out high quality repairs in the shortest time possible.

Every subscriber to the Nuova Prima Global Auto Presto&Bene can avail of a group of services which include, among others, three exclusive services:

1. a discount of 10% on Motor TPL insurance;
2. free recovery of stranded vehicles;
3. no liability on the Collision Guarantee.

The type of claims covered by the Nuova Prima Global Auto Presto&Bene service are:

- a. reasonable claims (with the Friendly Contestation of Accidents form signed by both the counterparties);
- b. the so-called direct risks, such as:
 1. atmospheric events;
 2. fire and theft;
 3. socio-political events;
 4. acts of vandalism.

The average repair time of the Auto Presto&Bene centres is 5 working days; however the majority of repairs are carried out in a substantially shorter timeframe.

Auto Presto&Bene has a specialised purchasing department and has the ability to acquire directly from the manufacturers approx. 14 million different types of spare parts and in 90% of cases manages to receive them within 3 or 4 working days.

Original spare parts guaranteed for life are synonymous with security: in Italy a relatively high percentage of highway accidents are caused by repairs carried out with a low degree of professionalism or through the use of non original spare parts. It is also significant that only one third of spare parts are original and another third compatible, or of equivalent quality: the remaining repairs however are carried out with spare parts which use non recognised construction circuits by the car manufacturers and therefore potentially hazardous to security.

From March 2009, the service became operative in Lazio and from April in Umbria and Marche, with a total network of over 550 repair centres. From May 2009 the activities began also in the Veneto, Friuli Venezia Giulia and Trentino Alto Adige regions (where approx. 100 repair centres operate). The network of Auto Presto&Bene repair centres was completed throughout Italy at the end of June.

It is the objective of the Fondiaria SAI Group to extend, from 2010, the Auto Presto&Bene service also to claims of one's own liability or joint liability where the insured party, incurring total or partial repair expenses – may however benefit equally from the high level of service guaranteed by Auto Presto&Bene.

In order to further improve the assistance service, shortly Auto Presto&Bene will be able to assist, directly at the place of the claim, those who have subscribed to the Nuova Prima Global Auto Presto&Bene policy and whose vehicle is stranded.

For greater attention to the client, in the coming months a significant extension of the service will be rolled out: in the major Italian cities, the Auto Presto&Bene Centres, where the insured party will be able to directly take the vehicle involved in the accident (obviously in the case in which it is possible to move the vehicle), the claim may be made, minor damage incurred taken care of in a comfortable repair environment immediately or a courtesy vehicle provided with the picking up of the repaired vehicle on return.

At the end of 2009, the first of these Centres will be opened in Turin, in the area of the ex Pininfarina Technical Centre, where in addition to the headquarters of Auto Presto&Bene (with approx. 60 employees), a state-of-the-art car workshop will be housed with the necessary equipment to carry out minor damage repairs immediately while the client enjoys a cup of coffee while waiting, together with a range of replacement vehicles available for those who have suffered more serious damage to their vehicle and a technical training centre for operators of the Auto Presto&Bene repair centres.

Sistemi Sanitari (Health Care Systems)

The evolving demographic situation, with the progressive ageing of the population due to greater longevity and with the large increase in the costs of technological innovation in the medical field are just two of the reasons why the Fondiaria-SAI Group has decided to provide an innovative solution with Sistemi Sanitari (Health Care Systems), a national network which acts as an efficient link between public bodies, private structures and the citizen.

The fundamental reason behind this choice, which is based on the original social vocation of the Group, is the utilisation of experience gained in many years of insurance activity: due to the increasing requirements for long-term care insurance and pension funds, the Group has decided to dedicate a new Class to Health Management, in which the insurer is increasingly seen as a personal consultant, able to respond to the needs of the individual and collective security.

As well as providing private insurance in the health field, Health Care Systems embraces the idea of subsidiarity in the public field: while in Italy health care expenses increase along with the contribution of the private institutions to hospital assistance, Sistemi Sanitari is an efficient response to the demand for health care protection for citizens and supports the need for public entities to maintain an excellent level of service and to provide “organised” assistance, eliminating queues, waiting and misinformation.

The Division is a new generation structure which operates through three principles:

- consultancy to the Fondiaria-SAI Group in the creation of cutting edge products and healthcare solutions;
- selection and management of a network of qualified health care centres;
- administration of repayments.

First of all, Sistemi Sanitari intends to provide to insured parties a “certified” healthcare service: this means that the structure revolves around support activities in the creation of insurance products and the management of services.

Secondly, Sistemi Sanitari selects the doctors, the structures and the health care operators, evaluating the standards, the technology and the organisation. The selection of the healthcare structures and the doctors follows precise qualitative protocols: every clinic will be monitored and evaluated by a team of experts from the Group, as well as checking that the structure is in line with the levels of service required by the Fondiaria SAI Group, guaranteeing the excellence of the services provided.

The conventioned network, covering the entire national territory, consists of approx. 280 recovery centres, 450 out-patient clinics and day hospitals, approx. 2,200 specialist doctors, 480 registered doctors (which form the association of medical doctors trusted by the Group) and 800 Service Companies, for the transport of patients, homecare assistance and telephone assistance.

In order to guarantee high qualitative standards, it is fundamental to promote research, training and development: three factors which set apart the operating philosophy of Sistemi Sanitari. The structure selects projects which are capable of ensuring cutting edge technology, scientific developments and new approaches to the care of the individual. Based on these evaluations, the Fondiaria-SAI Group invests directly in the clinics and businesses involved in innovative programmes.

The performance in the first half of 2009 of the principal subsidiaries is summarised in the table below:

| | GROSS PREMIUMS WRITTEN | CHG % | INVESTMENTS | GROSS RESERVES | CONTRIB. TO RESULT |
|--------------------------------|---------------------------------------|--------------|--------------------|---------------------------|-------------------------------|
| (in Euro thousands) | | | | | |
| CAPITALIA ASSICURAZIONI S.p.A. | 14,933 | 28.48 | 75,128 | 69,116 | (850) |
| DDOR NOVI SAD (*) | 61,955 | - | 26,730 | 119,968 | 2,151 |
| DIALOGO ASSICURAZIONI S.p.A. | 11,963 | 46.47 | 29,541 | 30,635 | (6,033) |
| EUROPA TUTELA GIUDIZIARIA | 866 | 3.97 | 10,343 | 5,247 | 23 |
| LIGURIA ASS.NI S.p.A. | 145,467 | 14.79 | 251,053 | 322,955 | (4,609) |
| MILANO ASS.NI S.p.A.(**) | 1,618,037 | 22.48 | 4,471,766 | 4,916,681 | 36,674 |
| PRONTO ASSISTANCE S.p.A. | 21,722 | 32.25 | 10,267 | 1,152 | 813 |
| SIAT S.p.A. | 92,318 | (1.48) | 88,950 | 295,311 | 129 |
| THE LAWRENCE RE IRELAND Ltd. | 97,746 | 2.02 | 448,931 | 408,843 | 11,122 |

(*) Consolidated data of the Non-Life sector

(**) Consolidated data of the Non-Life Sector and including Sasa Assicurazioni.

The principal information on the largest insurance companies of the Group for the first half of 2009 based on IAS/IFRS accounting standards are provided below.

- CAPITALIA ASSICURAZIONI S.p.A.

The products of the Company are marketed, individually or through the signing of cumulative policies, prevalently through the banking networks Banca di Roma, Banco di Sicilia and Bipop Carire.

The premiums written, amounting to Euro 15 million (+28.5%), exclusively relate to the General Classes.

Following the crisis which hit the property sector, the product mix has changed with fire policies related to mortgages strongly reduced, in favour of the Retail Classes such as Accidents and Health.

The technical performance is substantially in equilibrium.

- DDOR Novi Sad

With reference to DDOR Novi Sad, the net profit of approx. Euro 2.53 million (Euro 4.09 million in the first half of 2008), recorded under IAS in the first half year, dropped essentially due to the following factors:

- The fall in real GDP of the Serbian economy in the period analysed shows a reduction of approx. 14% in gross premiums compared to the same period of 2008. The decrease is reported in almost all of the Non-Life Classes, such as Accidents and Health (-3.6%), Motor TPL (-21.1%), Fire (-11.8%), Other Property Damage (-23.5%) and Other Motor Vehicle Classes (-9.1%). In particular, the decrease in the Motor TPL Division was also influenced both by increased tariffs, beginning in Autumn 2008 and by the discontinuation of the issue of long-term policies from Summer 2008. The Other Motor Classes have been affected by the strong competitive pressures. Against this, a notable increase in Life premiums was recorded (+29%) on the first half of 2008.
- The seasonal effects affected the premiums reserve, calculated automatically according to the “pro-rata temporis” criteria and increasing by approx. Euro 6.59 million on 31/12/2008. This amount corresponds to approx. 189% of the increase planned for the entire 2009. At the same time, considering that the financing to the insured parties for the deferment of premiums is traditionally signed and/or renewed in the first half year, the obligatory provisions relating to the impairment test amounted to Euro 5.7 million.
- The claims settled in relation to direct business decreased by 1.5% on the same period of 2008, a decrease of 0.2% if the indirect business is also considered. The decrease is particularly significant for the Fire Classes (35.6%), Other Property Damage (15%) and Motor TPL (2.9%). In the Other Motor Vehicle Classes, the claims settled grew by 16.5% although a decrease of 18.5% on the first quarter of 2009, essentially following the increase in non material expenses of past claims before the court. For this reason, we highlight that the Company is proceeding in the reorganisation of underwriting operations in the most problematic regions.
- The increase recorded in the claims reserve, amounting to approx. Euro 1.75 million (Euro 5.09 million in the first half of 2008) is due to the increase of 10.6% in the reserve for claims open but not yet paid, while the IBNR claims increased marginally (+0.5%).
- Based on the constant and continuous monitoring and control of costs, the general expenses decreased (-4%) on the first half of 2008.

- DIALOGO ASSICURAZIONI S.p.A.

The Company principally operates in the placement of motor products through internet and telephone. In the first half year, the parent company Milano Assicurazioni continued to carry out operational support activities.

In particular, in the first quarter of 2009 the new advertising campaign contained in the industrial plan of the company began, with a cost in the half year of Euro 3.5 million entirely expensed. The gross premiums written in the first half year amounted to Euro 14.1 million and recorded an increase of 45.9% on the first half of 2008 (Euro 9.7 million).

The increase in premiums was offset by a significant increase in claims reported (+93.7) with a consequent rise in the claims to premiums ratio in the period. The claims reserves on previous periods was deemed sufficient.

The Motor TPL Class, which represents the largest part of the portfolio, reports an improvement in the claims to premiums ratio, decreasing to 87.2% compared to 94.8% in the first half of 2008.

Overall, the company recorded a loss of Euro 6 million in the first half year (loss of Euro 6.2 million in the first half of 2008) due to the costs relating to the current advertising campaign and IT investments and greater structural costs necessary to support the growth of the company.

- LIGURIA SOCIETÀ DI ASSICURAZIONE S.p.A.

In the first half of 2009, the expansion of the company continued and the premiums written amounted to Euro 147 million, compared to Euro 135 million in the first half of 2008, an increase of 8.7%. This growth is due to the new agencies opened and the sales activities of the pre-existing agencies.

In the Motor TPL Class, the premiums amounted to Euro 100.5 million compared to Euro 93.2 million in the first half of 2008, growth of 7.8%. The technical performance however deteriorated, not yet benefiting from the initiatives undertaken in relation to the discontinued long-term portfolio and the greater inelasticity.

- MILANO ASSICURAZIONI S.p.A.

At the end of 2008, a comprehensive industrial and corporate restructuring of the Fondiaria Sai Group was completed with the merger by incorporation into Milano Assicurazioni of Sasa Assicurazioni e Riassicurazioni and Sasa Vita and the conferment to Milano Assicurazioni by Fondiaria-Sai, of the entire shareholding in Liguria Assicurazioni held by Fondiaria-Sai, amounting to 99.97% of the share capital, and a holding in Immobiliare Lombarda S.p.A. amounting to 27.88% of the share capital.

Taking into account the operations illustrated above, the half year 2008 data in the present report is also shown for comparative purposes on a like-for-like basis (pro-forma), aggregating the amounts of Sasa Assicurazioni, Sasa Vita, Liguria Assicurazioni and Liguria Vita and those contained in the 2008 consolidated half year report of Milano Assicurazioni.

The group net profit for the first half of 2009 was Euro 55.4 million compared to Euro 135.5 million in the previous year. The result for the period was not impacted by significant non-recurring or unusual operations compared to the normal operations of the company.

The key events in the period which contributed to this result are summarised below:

- The Non-Life division recorded a pre-tax profit of Euro 50.7 million, compared to Euro 169.7 million in the first half of 2008 at like-for-like consolidation scope. The drop principally related to the technical performance which - in a particularly difficult market affected by a severe economic crisis – was compounded by adverse natural events, strong price competition and the recent regulatory provisions regarding the sector.

In particular the Motor TPL Class, although reporting a drop in claims and in the relative frequency, was negatively affected by the contraction in the average policy premium, principally due to the effects of the so-called Bersani Bis Law in relation to allocation of the bonus-malus classes, which resulted in an unbalancing of the portfolio towards the better classes resulting in a corresponding decrease in the insurance risk. This occurred in a context in which the average claims cost paid increased, although contained. The Land Vehicle Class presents a largely positive technical balance but at the same time significantly lower than in the first half of 2008. The stronger competition in the market affected the results, as did the atmospheric phenomenon in the first quarter in the year and the negative performance of some accessory guarantees, such as windshield and vandalism guarantees, which typically in a period of crisis record an increase in claims. The Other Non-Life Classes report a largely positive performance, in a context in which profit margins reduced on the first half of 2008, particularly in relation to the Fire Class and also due to the claims related to the tragic earthquake in Abruzzo and the Accident Class which recorded an unfavourable performance due to the settlement of claims of previous periods, already recorded under reserves;

- The Real Estate sector recorded a pre-tax profit of Euro 2.4 million, compared to a profit of Euro 4.1 million in the first half of 2008. The reduction is essentially due to the registration tax in relation to property purchased by the Athens Property Fund, which entered the consolidation scope in the period following the full subscription of the relative share by Milano Assicurazioni;
- The asset and financial management recorded net income of Euro 210.6 million, compared to Euro 175.9 million in the first half of the previous year on like-for-like consolidation scope (+19.7%). The improvement was achieved despite the continuous drop in interest rates of bond securities (favoured by the monetary authorities to counter the economic crisis) and the lower amount of dividends from shareholdings. The figure in the first half of 2009 is net of impairment charges of Euro 30.5 million on securities classified in the Available-for-Sale category, made in accordance with the fair value policy already applied in the 2008 annual accounts.

On the other hand, the comparison with the first half of 2008 benefits from the transfer of securities from the fair value through profit and loss category to the Available for Sale category, made in September 2008. The net income deriving from other financial instruments and property investments amounted to Euro 173.9 million (Euro 208.8 million in the first half 2008), while the net income deriving from fair value financial instruments recorded through profit or loss amounted to Euro 40 million compared to net charges of Euro 29.2 million in the previous year.

The significant change in the above two categories of income are related also to the closure of residual combined put and call options, undertaken to hedge the non-realised gains relating to Unicredit shares held in portfolio. The closure of these options resulted in net income of approx. Euro 2.9 million against gains on options of Euro 23.5 million, recorded in the account Income from financial instruments recorded at fair value through profit and loss, and Euro 20.6 million of losses on the correlated sales of the shares hedged, recorded in the account charges from other financial instruments and property investments, in line with the classification of these shares, recorded in the category Available for sale;

- The management expenses in the Non-Life insurance sector amounted to Euro 309.6 million, with a percentage on net premiums of 20.3%;
- The investments at June 30 amounted to Euro 13,202.3 million, compared to Euro 12,959.2 million at 31/12/2008 (+1.9%);
- In relation to disputes, at 30/6/2009, there were 34,267 claims open, of which 25,788 related to the Motor TPL class. During the year, a total of 6,617 cases were defined, of which 5,603 relating to the Motor TPL class.

- SIAT – SOCIETÀ ITALIANA ASSICURAZIONI E RIASSICURAZIONI S.P.A.

The operational performance in the first half of 2009 compared to the same period in the previous year reports a drop in the technical components. This is principally due to the contraction in profits in the Transport Class, which although recording a favourable performance, was negatively impacted by the economic crisis generating a slowdown in international traffic. The premiums written amounted to approx. Euro 87 million, a decrease compared to the same period of the previous year (approx. Euro 92 million).

- SYSTEMA COMPAGNIA DI ASSICURAZIONI S.P.A.

In relation to the standardised products distributed by partner banks, the premiums written in the first half of 2009 amounted to Euro 7.4 million, an increase of 22.5% on the same period in the previous year.

The premiums/claims ratio of the Motor TPL class improved from 79.3% in the first half of 2008 to 63.9% in the current half year.

The Other Non-Life Classes reported increased claims, related also to the extraordinary events which hit some policies in portfolio, with particular reference to the Fire and Natural Elements Class.

Overall, the Company recorded a loss of Euro 0.4 million (a profit of Euro 0.5 million in the first half of 2008).

- THE LAWRENCE RE IRELAND LIMITED

For the year 2008, the company continued to operate as reinsurer for the Fondiaria-SAI Group.

The company undertakes the analytical valuation of the portfolio of the individual companies of the Group, in order to establish, and consequently provide, the necessary reinsurance cover to support specific positions. On this basis, the company ensures uniform portfolio commitments, with particular attention to the cases of intergroup co-insurance, and obtains the necessary reinsurance protection on the international market. Before defining the size of this latter, the company also verified specific further retentions at Group level. In 2009 the integration of the reinsurance plans of the Serb company DDOR purchased in the previous year was completed. This latter, in accordance with the principles already adopted for the other companies, has entered the reinsurance plan of the Group with adequate protection of its requirements.

The net profit for the first six months of 2009 amounted to Euro 13,966 thousand after income taxes (a strong increase on the same period of 2008 which recorded a net profit of Euro 9,533 thousand). The increase was principally due to the good performance of the financial sector and reflects the recovery of the market and the increase of the amounts managed. The company continues to adopt a prudent investment policy.

The premiums accepted for the first half year 2009 amounted to Euro 97.2 million, of which Euro 5.9 million are in the Life segment. The premiums ceded to the market amounted to Euro 47.8 million, of which Euro 0.4 million relating to the Life segment. The values are substantially unchanged on the first half of 2008, reflecting the unchanged reinsurance plan of the Group.

The Company also continues to undertake the run-off activity of the companies of the Group, which avail of this service. In relation to the reinsurance of previous years the objective of the company is to continue to conclude settlement agreements, which permit the reduction of the administrative charge, without affecting the profit margin. The company ceded part of this business, which reported a balanced result.

Life Insurance Sector

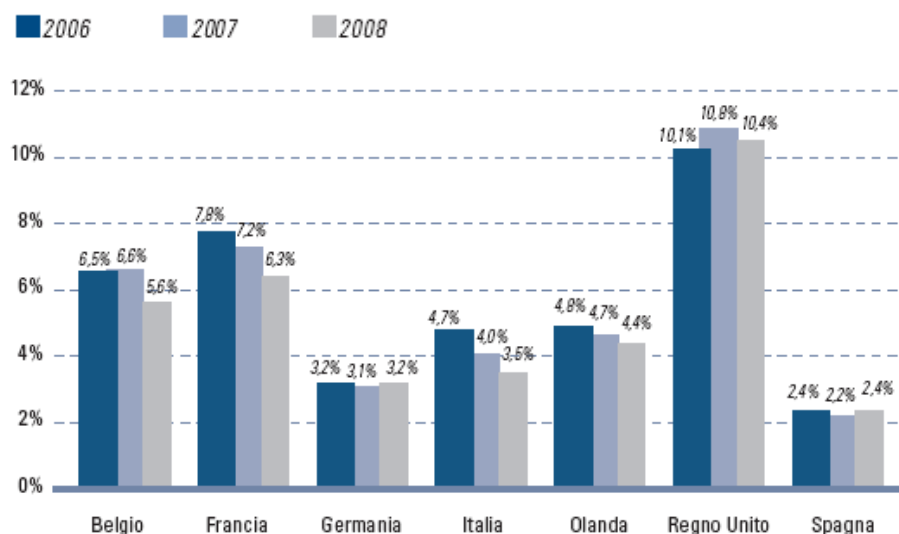
THE LIFE INSURANCE MARKET

The Italian direct premiums from companies operating in the Life market in 2008 amounted to Euro 54.6 billion, a decrease in nominal terms of 11.2% on 2007 (-11.4% in 2007) and of -13.9% in real terms (-12.9% in 2007). The Life premiums in 2008 represented 59% of the total premiums, a drop of 3% on 2007. The premiums in 2008 were affected by the strong decrease in linked policies (-36.1%) and in the growth of the Class I policies (+15.7%). The reduction in premiums and the negative investment result contributed to an overall negative technical result.

The actuarial reserves also decreased (-6.7%), amounting to approx. Euro 336 billion. The drop is due, as well as to a net outflow which in 2008 was the second consecutive negative year, to the poor performance of the financial markets.

After years of consistent growth, 2008 was the second consecutive year in which a reduction in the percentage of actuarial reserves on GDP was recorded (from 23.31% in 2007 to 21.38% in 2008). The drop is principally due to the reduction in premiums, whose percentage of GDP decreased to 3.47% in 2008 from 3.98% in 2007, returning to the levels at the beginning of the decade, as well as, as already seen, to the decrease in nominal values of the same reserves due to the crisis in the financial markets.

Graph. 6 – Life Premiums/GDP (in %)



Source: CEA and ANIA – Italian insurance 2008-2009

In June, new Life business in the individual policies sector recorded premiums written of Euro 5.2 billion, an increase of 70% compared to the same month in 2008. In the first half year, premiums amounted to Euro 27.2 billion, an increase of 35.3% compared to the same period of the previous year. Including also the companies operating under the freedom of establishment in the EU, the premiums in the first half in the year recorded growth of 22.0% on the same period of 2008.

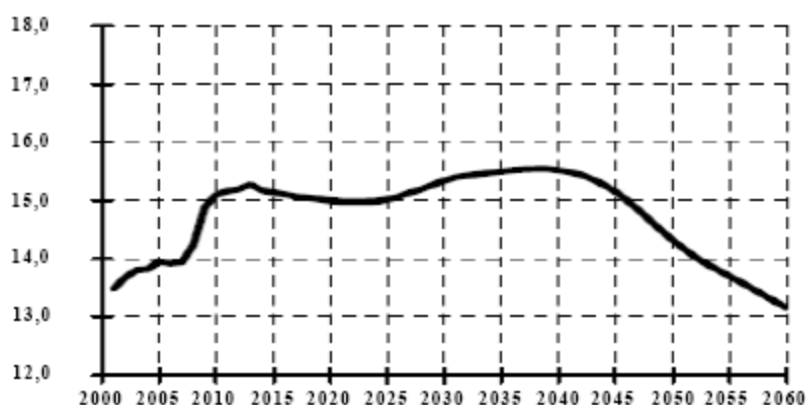
The Italian companies and non-EU companies issued new policies principally through the banking and postal channels for a total amount of Euro 3.5 billion (+67.3% on June 2008); from the beginning of the year the premiums in this channel reached Euro 20 billion (+38.1%). In June the agents issued new premiums of Euro 585 million (-12.3% on the same month of the previous year); in the first half year, the premiums amounted to Euro 3.0 billion (-5.2% on the same period of 2008). The premiums directly through the insurance companies (agencies) grew slightly (+1.5%) with Euro 119 million of new premiums; however on the beginning of the year the results were negative (-6.8%). The brokerage activity by financial promoters also expanded greatly in the half year: the premiums amounted to Euro 1 billion compared to Euro 244 million of premiums issued in June 2008. The results recorded in the last three months consolidated those of the beginning of the year of Euro 3.7 billion, with a doubling of volumes on the same period of 2008.

PENSIONS IN ITALY

While the other economically advanced countries experienced greater growth in complementary pensions, the development of supplementary insurance in Italy has been slower, also due to the doubts relating to the effective ability of public pensions and the limited effect of the tax incentives, despite the provisions in relation to the conferment of employee leaving indemnity to complementary pension funds providing an impetus to the sector. These uncertainties have significantly affected the choice of workers, inducing many of them to not pay the employee leaving indemnity into the complementary insurance, while our pension system, based on two pillars (the first public in relation to distribution, the second private in relation to capitalisation), presents advantages not just with a coverage level more adaptive, but also in terms of diversification of risk and the capacity to absorb shocks of various natures.

The more widespread issue of complementary pension could however allow a greater flexibility in the pension age, allowing therefore contributions commiserate with the needs of everyone.

Graph 7 – Public expenses for pension, expenses in relation to GDP ^(*)
(in %)



Source: State General Accounting Office – medium-long term trends of the pension and socio-health system No. 10/2008.

(*) In the State General Accounting Office calculations for the current year, a drop of 2% is expected: currently the GDP contraction estimate is 5%.

After the significant initial growth following the reform under Legislative Decree 252/2005, 2008 saw the slowdown in complementary pensions, a trend already seen in the last months of the previous year. The

financial crisis also contributed to this trend, which changed the behaviour of potential subscribers, as well as the drop in the economic activity in the final parts of the year, which resulted in a significant drop in disposable income, slowing down possible new subscriptions and favouring advanced redemptions and interruptions to contribution payments.

At the end of the previous year the subscribers to the complementary pensions amounted to over 4.8 million, of which nearly 700,000 relating to the Individual “old” Pension Plans (PIP) with an increase, net of departures, of 6.4% on 2007 and 52.4% on 2006 - the year preceding the reform.

There are particular sectors in which complementary pensions experience particular difficulties, therefore large sectors of workers remain outside of the system, such as: the young, women and self employed workers are underrepresented. Small businesses and the southern regions contribute a limited amount of subscribers.

Tab. B – Complementary pensions in Italy
(number of subscribers at the end of 2008)

| | Funds | Subscribers ⁽¹⁾ | | | New subscribers in year ⁽²⁾ | |
|--|------------|----------------------------|---------------------|---------------------|--|-----------------------------------|
| | | Number | Cge. % 2008/2007 | Cge. % 2008/2006 | Number | %on subscribers end of 2007 |
| Traded pension funds | 41 | 2,043,509 | 2.8 | 67.6 | 141,000 | 7.1 |
| Open pension funds | 81 | 798,007 | 6.8 | 81.2 | 68,000 | 9.1 |
| Pre-existing pension funds | 411 | 677,453 | (0.4) | 5.2 | 40,000 | 5.8 |
| « New » PIP's ⁽³⁾ | 75 | 701,819 | 44.4 | - | 218,000 | 44.8 |
| TOTAL ⁽⁴⁾ | 608 | 4,241,109 | 8.5 | 84.1 | 430,000 | 11.0 |
| « Old » PIP's ⁽⁵⁾ | | 674,332 | - | - | - | - |
| GENERAL TOTAL ⁽⁴⁾⁽⁶⁾ | | 4,853,605 | 6.4 | 52.4 | 430,000 | 9.3 |

(1) This includes the subscribers which have not made payments in the year and the so-called deferred. These exclude pensioners.

(2) Partially estimated data The data relating to each category of pension (traded pension funds, open pension funds, etc...) are net of the subscribers transferred from sections of the same category; the total is net of all of the internal transfers within the complementary pension system.

(3) PIP in line with Legislative Decree 252/2005.

(4) The total include the FONDINPS data.

(5) PIP institutes previous to the 2005 reform and not in line with Legislative Decree 252/2005.

(6) These exclude the duplications due to the subscribers who adhere both to the “new” PIPs and the “old” PIPs, amounting in total 62,000 individuals.

Source: COVIP – Report for 2008

The subscribers in the main relate to employees in the private sector which at the end of 2008 amounted to 3.6 million subscribers. The increase in the year was 228,000 units, slightly less than 7% compared to the end of 2007. From the entry into force of the reform, the subscribers to this category, the only one related to employee leaving indemnity contributing pension provisions, increased by approx. 1.5 million.

During 2008, the consolidation process and the rationalisation of the sector was completed: no new traded or open fund was initiated while the concentration operations between the funds continue. The tendency to simplify the offer is often related to corporate restructuring (mergers, sales, etc) and changes in the reference group. In particular, the traded pension funds remain operative only for the initiatives related to self employed workers: the other three in place last year have decided to wind down.

The market crisis reached a level not seen in recent decades. In this context, the pension funds underwent difficult times. Excluding the Class I PIP's, whose equity is not valued at market prices, the average yield recorded in 2008 was negative: -6% for the traded funds, -14% for the open funds, -25% for the PIP unit-linked funds. The negative performance continued into the current year, until the beginning of March, in which a slight recovery was seen. The general situation in the national economy confirms the importance of portfolio diversification, which was underlined by operators.

The Italian complementary pension system appears solid but, in order to allow further development, certain issues must be overcome, such as: management often with a short-term view and incapable of offering yields significantly higher than employee leaving indemnity, of differentiating by sector, geographic area and business size and competition unable to contain the costs of many pension types, is evident. The crisis further increases needs in terms of protection and profitability, not always compatible, underlining the necessity to continue the development of complementary pensions with growth in the economy.

In the final months of 2008 and in the first months of 2009, more intense monitoring of the funds by the Supervisory Boards was undertaken, including specific surveys and numerous meetings with the unions and employers. In particular, the analysis of the impact of the financial crisis on the choices of the funds in terms of strategies, investments and communication with the subscribers was extended. From the information collected it emerged that a "pension culture" is in place which may form the backbone of the development of a complementary pension system: it is necessary to convince workers of the necessity to plan for their future and to guarantee in their old age supplementary support along with the public support.

Premiums

Direct premiums written in the first half of 2009 amounted to Euro 2,743 million, an increase of 28.95%.

The details by class compared to the previous half-year are shown in the table below.

| (in Euro thousands) | 1 st Half 2009 | 1 st Half 2008 | Change % |
|---|---------------------------|---------------------------|--------------|
| DIRECT PREMIUMS | | | |
| I – Insurance on human life expectancy | 1,233,160 | 797,239 | 54.68 |
| III – Insurance related to investment funds | 1,321,221 | 1,148,277 | 15.06 |
| IV - Health insurance | 194 | 145 | 33.79 |
| V – Securitisation operations | 188,002 | 181,252 | 3.72 |
| TOTAL | 2,742,577 | 2,126,913 | 28.95 |

Total premiums written by bank branches amounted to Euro 2,019 million and represents 74% of the total direct premiums written (60% in 2008).

The premiums ceded amounted to Euro 14.2 million (Euro 13.5 million in the first half of 2008).

Charges relating to claims, net of reinsurance amounted to Euro 3,264.1 million (Euro 1,794.2 million in the first half of 2008).

There was an increase in the percentage of management expenses to premiums (5.5% in the first half of 2009 compared to 6.5% in the first half of 2008).

Gross technical reserves amount to Euro 20,103 million, an increase of Euro 2,063 million on the end of the previous period.

The total premiums in the sector also includes Euro 28 million (Euro 256 million in the first half of 2008) on investment contracts which may not be included in application of IFRS 4 and therefore not included under premiums written but rather under financial liabilities according to the deposit accounting technique.

The new business, according to the “Annual Premium Equivalent” (“APE”) for the Fondiaria-SAI Group, relating to the products covered by the application of IFRS 4, excluding therefore the contracts treated under the “deposit accounting” method, recorded an increase of 34.2%, amounting to Euro 253.4 million compared to Euro 188.8 million in the first half of 2008. Bancassurance contributed Euro 205.2 million compared to Euro 139.4 million in the first half of 2008 (47.2%).

Relating to the basis of the calculation of the APE, consideration was taken of the amount of new annual premiums and 10% of the single premiums.

The total new business in the segment, which takes account of the investment contracts not included within the scope of IFRS 4, amounted to Euro 253.5 million compared to Euro 212.1 million in the first half of 2008, an increase of 19.5%.

Operational performance

In the first half of 2009, Individual Life business by the distribution networks was almost entirely focussed upon Separated Management, as characterised by minimum guaranteed returns and investment protection, both in the single premium form, with particular attention to the Life policy capital maturing segment and securitisation, and in the constant annual premium form (the marketing of the OPEN PIU' product launched in 2008 continues to report favourable results with very good results also from the launch of the product OPEN BRAVO to younger clients, available from the first quarter of 2009): in the first quarter the VALORE CERTO (Certain Value) product was launched, a fixed yield product with coverage of contractual commitments for half of the specific asset.

In the Index-Linked sector, the VALORE SICURO (Sure Value) policy related to the performance of the Dow Jones Euro Stoxx 50 share index was launched, with a consolidation of performance and settlement mechanism on maturity of capital and of any coupons matured: the product provides for a guarantee on maturity provided directly by the Company.

In May, a restyling of the Unit-Linked product was unveiled with a single premium and annual premium product with new automatic contractual mechanisms, called “cambio automatico” (“automatic exchange”) (for the single premium form) and “airbag” (for both the products) which provides greater elasticity in reacting to negative financial market situations: currently the sales results are low.

The DEDICATA policies (Term Life) introduced in the previous year with differentiation for policyholders' smoking habits grew significantly.

In relation to the complementary pension segment, implemented through the Individual Pension Plans, in the first six months of the year there was a slowdown in the new contracts on the previous year.

In the first half year, the Corporate segment achieved good results in its “pre-existing” pension fund management activities for employees, incentivising a greater contribution related to the higher tax deductibility, as well as with pension plans following employee departure under the enabling regulations; the extension of the maturity and the contributions to the pension plans is now possible, taking account of the new clauses of the single insurance conventions.

The products related to the leaving incentive provisions (TFR and TFM), are those affected greatest by the current economic crisis; although these products typically favour payment in the second half of the year, there does not appear to be significant room to manoeuvre in the short term for an increase in the distribution of these products.

In the first half of the year, the market trend of the complementary pension has been negatively influenced by the performance of the general economic situation and therefore also the distribution of the Open Pension Funds created by the Company; in particular a modest increase in subscribers of our Funds was recorded, however a corresponding increase in the contributions was not recorded, which in fact decreased slightly.

For the capitalisation products focussed on treasury management, the advanced redemptions lessened greatly confirming the tentative signs of recovery in interest in this type of investment, also due to the diminished appeal, in terms of remuneration of debt instruments in general.

The coverage of risk, in addition to good results in the institutional sector of insurance deriving from the collective contractual negotiations, substantially maintaining the portfolio, continued personalised accessory coverage solutions for subscribers to Pension Funds, with encouraging results in the main, while the distribution of products dedicated to loan coverage, with particular regard to those related to the coverage of mortgages, remain stagnant in this sector.

The performance in the first half of 2009 of the subsidiaries is summarised in the table below:

| | GROSS PREMIUMS WRITTEN | CHG % | INVESTMENTS | GROSS RESERVES | CONTRIB. TO RESULT |
|------------------------------------|---------------------------------------|--------------|--------------------|---------------------------|-------------------------------|
| (in Euro thousands) | | | | | |
| BIM VITA S.p.A. | 17,662 | 47.96 | 126,362 | 82,026 | 747 |
| BIPIEMME VITA S.p.A. | 294,112 | (12.87) | 3,603,592 | 2,255,427 | 1,490 |
| DDOR NOVI SAD (*) | 2,611 | 28.49 | 9,370 | 10,069 | 383 |
| LIGURIA VITA S.p.A. | 9,781 | (21.63) | 101,030 | 100,352 | (179) |
| MILANO ASS.NI S.p.A. (**) | 520,576 | (4.18) | 7,771,626 | 6,061,059 | 15,854 |
| POPOLARE VITA S.p.A. | 521,742 | (47.73) | 6,703,915 | 5,299,343 | 7,899 |
| SYSTEMA VITA S.p.A. (ex EFFE VITA) | 3,775 | 128.47 | 76,992 | 66,290 | 794 |
| THE LAWRENCE LIFE ASS. CO. Ltd. | 1,187,651 | n.a. | 1,567,523 | 1,122,628 | 5,193 |

(*) Consolidated data of the Life sector.

(**) Consolidated data of the Life Sector and including Sasa Vita.

The principal information on the largest insurance companies of the Group for the first half of 2009 based on IAS/IFRS accounting standards are provided below.

- BIPIEMME VITA S.p.A.

The first half year reported a profit of Euro 1.5 million (Euro 0.5 million in the first half of 2008).

The premiums written in the first half of 2009 amounted to Euro 294.1 million (Euro 337.6 million), a decrease of 12.9% on the first half of 2008.

The sums paid amounted to Euro 99.3 million in the Life Division and Euro 0.8 million in the Non-Life Division (respectively Euro 78.4 million and Euro 1.2 million in the first half of 2008). Gross technical reserves at 30/6/2009 amounted to Euro 2,255.4 million, an increase of Euro 513.2 million on 31/12/2008.

The investments amounted to Euro 3,604 million, of which Euro 1,863.3 million recorded under available-for-sale financial assets and Euro 1,644.7 million under assets recorded at fair value through profit or loss.

Finally, in relation to the financial difficulties related to the Icelandic banks, we report that Bipiemme Vita has the following index-linked products in portfolio:

- *Single Best*, issued on 26/7/2005 with expiry on 26/7/2012 having, as underlying securities, financial instruments issued by Glitnir Bank hf, for a nominal value of Euro 44.6 million;
- *Crescita Più Minimo*, issued on 30/11/2005 with expiry on 30/11/2010 having, as underlying securities, financial instruments issued by Kaupthing Bank hf, for a nominal value of Euro 59.8 million.

It is recalled that on the issue of the products the rating attributed to Islandbanki hf (subsequently Glitnir Bank hf) by Moody's and by Fitch were respectively A1 and A and the ratings attributable to Kaupthing Bank hf by Moody's and by Fitch were respectively A1 and A.

As noted however, on 24/11/2008 following the financial difficulties experienced, Glitnir Banki and Kaupthing Bank were subject to a Moratorium procedure by the Reykjavik Court. This procedure prohibits third parties from undertaking actions of any kind as creditors of the two banks, and blocks bankruptcy proceedings of the companies. During the moratorium, in addition, the two institutions are subject to restrictions on the availability of their assets and the utilisation of liquidity.

The duration of the period was initially fixed until 13/02/2009 while Icelandic law permits the period to be extended for 24 months. On the request of the Liquidation Committee of the two banks, on 19/02/2009 the Court of Reykjavik approved the extension of the moratorium period until 13/11/2009.

It is understood that the reasons for the request of the Committees is the protection of the interests of the creditors, which could incur economic damage if the activities of Glitnir Banki and Kaupthing Bank were liquidated at a significantly reduced value due to the current crisis in the markets. The extension of the moratorium should therefore allow the Committees to liquidate the assets of the banks when the market conditions are more favourable. It is recalled that during the moratorium period no formal judicial procedures may be taken against the two banks. Therefore the information necessary to value the underlying assets of the above-mentioned products, are not currently available and, consequently, it is not possible at the moment to publish the relative values.

Until the judicial and balance sheet position of Glitnir Bank and Kaupthing Bank are known, it will therefore not be possible to accept redemptions or provide information in relation to the reimbursable value matured on the above-mentioned index-linked policies.

As these policies do not guarantee minimum yields or repayment of the capital, the investment risk connected to the solvency of the issuers is contractually borne by the policyholder. The payment of the services is in fact subordinated to the capital solidity of the issuers and the repayment capacity of the underlying debt securities.

- MILANO ASSICURAZIONI S.p.A.

The Life Division reports a pre-tax profit of Euro 19.6 million (Euro 13.1 million in the first half of 2008). This principally owes to higher investment income as the financial markets recovered, particularly in the second quarter. The Life sector however continues to be heavily penalised by the current financial and economic crisis, which does not currently appreciate the real value of the in-force portfolio acquired, with an adequate technical profitability and a strong presence of traditional type products, with greater remuneration and capable of satisfying, for the quality and range of the policies available, all needs of the clientele. However, in the second part of the half year, in which the financial markets recorded some signs of improvement, there was a reduction in the redemptions of contracts compared to the worst part of the crisis, in the period between the end of 2008 and the beginning of 2009.

In the Life division the management expenses amounted to Euro 29.4 million, with a percentage on net premiums of 5.8%.

Premiums written of Euro 520.5 million decreased by 13.1% on the first half of 2008 based on like-for-like consolidation scope (Euro 599.2 million); as well as being negatively affected by the economic crisis, premiums also decreased on the first half of 2008 due to Dialogo Vita, which in the half year, following the ending of the bancassurance agreement with UBS Italia S.p.A., recorded premiums of Euro 0.9 million compared to Euro 21.4 million in the first half of 2008.

From the first quarter of the present year, the agreement with UBS Italia S.p.A. has been operated by the Group company Systema Vita and no longer by Dialogo Vita, which operates through telephone and Internet channels, in line with the industrial plan of the Fondiaria SAI Group.

By type of contracts issued, the underwriting policy continues to favour traditional type products (+7.4% on the first half of 2008), related to the higher profit margins and client loyalty, creating long term value.

With reference to products with the financial risk borne by the policyholder, in the half year a new policy to the market was launched, providing an index-linked policy which has as the underlying security government bonds and provides the guarantee of repayment on maturity by the company. The amounts issued were contained, given the lack of appeal of this type of product in a turbulent financial market which has now lasted almost two years.

Contracts of a financial nature were also written for a value of Euro 7.3 million (of which Euro 3.7 million related to Bipiemme Vita). In accordance with IFRS 4, these contracts were recorded under the deposit accounting method, which provides for recognition in the income statement, under the account commission income, of only the profit margins.

In relation to the financial difficulties of the Icelandic banks, Milano Assicurazioni has the Metal Oil index-linked product in portfolio, issued on 28/11/2005 with expiry on 28/11/2011.

This product (relating to the ex Sasa Vita portfolio incorporated into Milano Assicurazioni at the end of 2008) has underlying financial instruments issued by Glitnir Bank hf for a nominal value of Euro 6.5 million. Further information on the moratorium periods have already been provided in the comments on the subsidiary Bipiemme Vita.

In the Life Sector the objective is to create value over the long-term period, based on underwriting policies which favour products centred on the insurance risk, providing better returns and more appropriate to the needs of the clientele in this period of great economic uncertainty.

- POPOLARE VITA S.p.A.

In the first half of 2009, the net profit amounted to Euro 7,899 thousand (a profit of Euro 6,532 thousand in the first half of 2008).

Gross premiums written amounted to Euro 521,742 thousand (Euro 998,205 thousand in the first half of 2008) and for 75% comprised of Class I products (insurance on human life expectancy). The Class III premiums relating to the Index-Linked products (Euro 123,635 thousand) refer to the three Scudo Index products, issued in relation to the restructuring operation of the Indices with underlying Lehman Brothers securities. The management expenses in the first half of 2009 amounted to Euro 16,232 thousand (Euro 66,990 in the first half of 2008) and principally relate for approx. 59% to administration expenses.

The gross technical reserves amounted to Euro 5,299 million (Euro 2,540 million in the first half of 2008) and were composed of Euro 3,586 million (Euro 2,017 million in the first half of 2008) of class D reserves and the remaining Euro 482 million (Euro 523 million in the first half of 2008) of class C reserves.

At 30/06/2009, total investments reached Euro 6,704 million, compared to Euro 2,921 million at 30/06/2008 with over 75% consisting of financial assets recorded at fair value through profit or loss.

The products of the Company are marketed through the branches of the Banco Popolare di Verona e Novara Group.

- THE LAWRENCE LIFE ASSURANCE COMPANY LTD

In relation to the agreements with Banco Popolare, the authorisation for the transfer of 100% of the share capital of the Irish company The Lawrence Life Assurance Company Ltd from Fondiaria Nederland B.V. (Dutch company held 100% by Fondiaria-SAI) to Popolare Vita S.p.A., subsidiary company of Fondiaria-SAI with a 50% holding plus one share and the remainder held by Banco Popolare, was presented to the relevant Italian and Irish authorities.

The operation forms part of the joint strategic plan of Banco Popolare Group and Fondiaria SAI Group to extend their bancassurance partnership, aiming to reignite the premium development plan of the joint venture.

In relation to the agreements reached with Banco Popolare regarding the operation, the signing of a distribution agreement between Lawrence Life and Banco Popolare took place, which will, with prior authorisation by the Irish authorities and that already received from ISVAP, allow for the transfer of the shareholding to Popolare Vita. From the signing of the distribution agreement (April 2009) to today Lawrence Life received approx. Euro 1 billion relating to the “Popolare Vita Cedola Plus” (“Popolare Vita Coupon”) product.

The price of the shareholding in Lawrence Life was set at Euro 13.4 million, equal to the economic value attributable to the shareholding based on an independent expert’s opinion provided by KPMG Advisory S.p.A.

This value will be increased to take account of the payment of Euro 6 million to Lawrence Life carried out through a capital contribution in July 2009 by Fondiaria Nederland in order to satisfy the coverage of the solvency margin of Lawrence Life following the beginning of activities with Banco Popolare.

In the first half of 2009 the premiums written by the Company amounted to Euro 1,187.6 million (Euro 0.003 million in the first half of 2008) through two tranches of the index-linked products with 6-year duration. In the first half year the Company recorded a profit of Euro 5.2 million (Euro 0.4 million in the first half of 2008).

Restructuring of the index-linked policies issued by SASA VITA S.p.A. and having bonds from the Icelandic bank as underlying securities.

SASA VITA S.p.A. (now incorporated into Milano Assicurazioni) issued an index-linked “Metal & Oil” policy, having as underlying security structured bonds issued by the Icelandic Bank GLITNIR BANK HF, placed in administration on 9/10/2008.

From that moment, the above-mentioned security did not have a valuation and given the situation of substantial insolvency of the issuer, Milano Assicurazioni decided to restructure the index-linked policies with the objective to allow the clients, although the policy was not of a “guaranteed capital” type, to receive on maturity the entire nominal capital and to receive all past cash inflows.

The operation was substantially similar to that in the previous months in favour of the clients of ex Novara Vita (now Popolare Vita) who subscribed to index-linked policies having Lehman Brothers bond securities as the underlying security.

The operation will be carried out through the redemption of the original contract by the holder and the simultaneous signing of a new contract comprising the residual duration of the index-linked contract increased by approx. 2 years. The clients may subscribe to the new policy until 30/09/2009.

In order to fully eliminate the risk of non payment of the nominal value of the policies, the clients have the faculty to redeem in advance the index-linked policy at the current value of the underlying asset, equal to 18 (value of the estimated recovery rate) determined as already illustrated, without additional charge, and to subscribe at the same time to a new policy with an increased maturity of approx. two years, therefore with maturity, with regards to the bond component, of 31/12/2013 and with regards to the optional component 28/11/2011 (as in the original).

The price of 18 (equal as stated to the estimated recovery rate) corresponds to the best possible estimate. This assumption is based on an analysis of the Financial Management of the Fondiaria SAI Group carried out on market parameters with reference to the Icelandic issuer.

The clients will be able to subscribe to a new policy at a price of 87.73, equal to the forward purchase price of the Zero Coupon and the option, to be settled on the last day of the subscription period of the new policy, therefore benefiting from a loyalty premium which will amount, under the assumptions outlined, to 69.73. This loyalty premium will mature only in the case in which the clients do not redeem the policy before maturity (31/12/2013).

The price of 87.73 corresponds to the current value of the Zero Coupon which will be repaid to the policyholder as 100 at the maturity of 2013 (price 86.73), plus the value of an option which will replicate the derivative mechanism included in the structured security prior to coverage (price 1).

The issuer of the underlying securities of the new policies are BancaSai for the bond part and JP Morgan Chase Bank for the optional part. In every case, the counterparty risk is carried by Milano Assicurazioni, also for the optional part.

The operation provides, at the same time of the subscription of the new index-linked policy by the client within the above-mentioned period, that the GLITNIR bond securities are transferred from class D to class C of the bond portfolio of Milano Assicurazioni at the price assumed of 18, determined for the reasons outlined above.

The total payment for Milano Assicurazioni amounts to Euro 5.7 million, corresponding to a loss of approx. Euro 3 million net of taxes.

The contract states that the restructuring operation is a compromise agreement and that nothing is owed to the client in relation to the original restructuring policies.

Reinsurance

The Group reinsurance structure is in line with the protection system of the Parent Company. The proportional programme permits each insurance Company to hold an adequate part of premiums with reference to the volume of the individual portfolio, and to protect reinsuring the underwriting points which could negatively impact on the final result.

The Group reinsurance company, The Lawrence Re, provides adequate protection to each insurance Company on a reinsurance basis, and subsequently integrates the various portfolios in order to obtain specific reinsurance protection on the international market.

Non-Life Reinsurance

In 2009, the placement of all the portfolios of the companies of the Fondiaria SAI Group on the international market takes place through The Lawrence Re Ireland Ltd with the following exceptions:

- the Transport Classes placed through the subsidiary SIAT;
- the Aviation Classes placed directly by the underwriting companies;
- the non-marine portfolio of SIAT placed with Milano Assicurazioni;
- the Protected Assistance class placed directly by the subsidiary Pronto Assistance;
- the significant risks ceded optionally directly by the Companies.

The reinsurance policy is based on cessions on a non-proportional basis for the protection of the individual or cumulative risks deriving from a single event for the classes Fire, Accident, Theft, General TPL, Motor Vehicle TPL and Land Vehicles, while on a proportional basis for the Credit class. In the Transport, Aviation, Guarantees and Technological Risk classes, the structure is based on proportional agreements and excess claims coverage. The balance of the reinsurance cessions was less favourable for our reinsurers than expected, following the 'Abruzzo Earthquake' in the Fire Class and some claims in the Aviation Class.

The subsidiary SIAT placed on the reinsurance market the protection relating to the Transport sector operating as reinsurer of the companies of the Group, with a mixed structure based on proportional agreements and excess claims coverage. The remaining "non marine" Classes, in any case being disposed of, were integrated into the various Group programmes through Milano Assicurazioni.

The subsidiary Liguria, following the guidelines issued by the Parent Company, placed the Transport Classes through SIAT, while Group programmes were utilised for the other guarantees, with the exception of the Assistance Class as indicated above.

In particular cases, where there was a lower priority, specific underlying programmes were placed.

The active reinsurance includes at 30/06/2009 all the optional business and the acceptances by the insurance companies of the Group and at 30/06/2008 for all the other types of agreements. After the prudent reserves recorded in the previous accounts and net of the relative reinsurance, the equilibrium of the result of the overall portfolio is confirmed.

Life Reinsurance

The reinsurance programme, as in previous years, consists of a proportional agreement in excess.

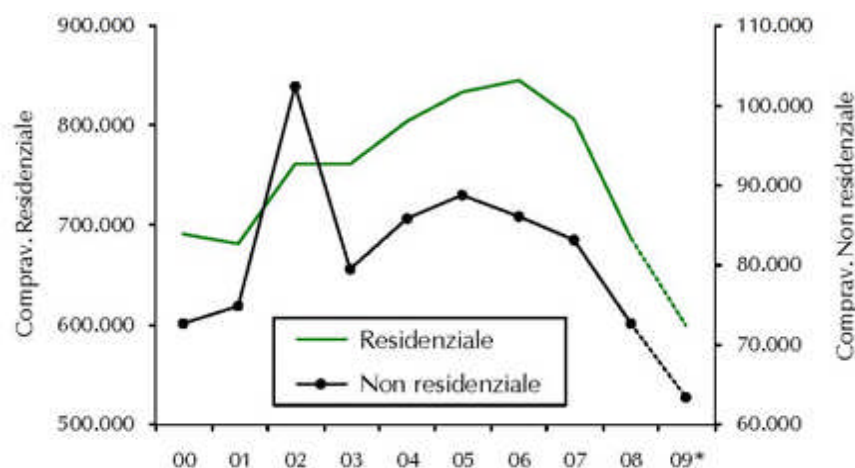
The retentions are variable according to the individual policies of the Group. The subsidiary The Lawrence Re reinsures this portfolio and obtains coverage on the international market through a non-proportional structure for the specific risks and a Stop Loss protection on the retained portfolio of the Group.

The retentions continue to be contained for the participating insurance companies, especially when compared to the total capacity provided.

Real Estate Sector

The downturn in the real estate sector in the last months of the previous year was prolonged into the first half year 2009. The reduction in revenues is due to the difficulties in the real estate market in recent months, prevalently due to the decrease in the number of sales (and to a lesser extent the drop in values), which having reached a peak at the beginning of 2007, subsequently began to accelerate losses.

Graph 8 – Number of residential and non residential building sales

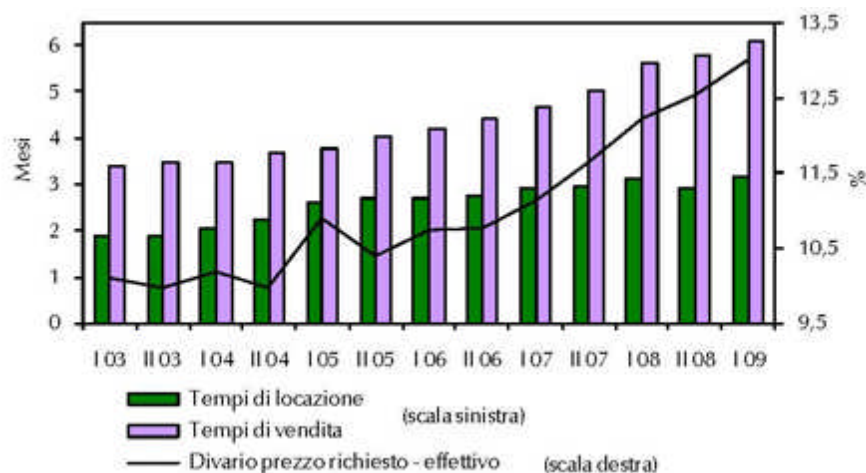


Source: estimates of Nomisma (2009 Report – Property market study) from the data of the Territory Agency.
(*) estimate

For the second consecutive half year drops in prices were recorded, while a more pronounced contraction was experienced for offices and shops. The car space segment remains unaffected at the moment. Residential property decreased 2.5% in the first half of 2009, which follows a reduction of 1% in 2008 (-3.5% on an annual basis). The current prices are at 2007 levels, with drops in all areas and all cities under consideration, particularly in the cities of the north rather than those of the centre-south. Residential properties sold decreased from 845 thousand in 2006, a record year, to 686 thousand in 2008, losing nearly 40,000 units between 2006 and 2007, and over 120,000 between 2007 and 2008, with a return to levels of the initial years of the decade.

The rental sector partially benefits from the crisis in the sales-purchases market, with an indication of greater interest - at least until the availability of credit returns and the prices drop further, given the deflationary expectations within the real estate market. Rents however have dropped as supply is abundant and the income capacity of the households currently remains flat. Prices, for the first time in at least a decade, fell: -2.2% for new homes, -2.4% for second hand homes, -1.5% for offices, -2% for shops, -1.9% for warehouses, while car spaces and garages were the only category to record a small gain (+0.9%).

Graph 9 – Sales times, average rental times and average % drop in price



Source: estimates of Nomisma (2009 Report – Property market study), average in 13 major urban areas

For 2009, the forecast is for a further reduction in the number of residential transactions in the order of 8-10%, thus 620-630 thousand units. An improvement on the current situation is expected in 2010, but with lower values and number of contracts.

Real estate funds

The difficult global economic situation had a negative impact also on the real estate funds sector which however performed better than other investment instruments.

The asset management within the real estate sector through funds and the REITS (Real Estate Investments Trust) at the end of 2008 amounted to Euro 1,300 billion, a drop of 3.7% on the previous year: at the same date, total assets managed in Europe amounted to Euro 605 billion.

The Italian sector has remained substantially stable - remaining in fourth place, with the number of funds consistently increasing. In the last ten years, the Italian property investment funds sector has had the highest growth rate in Europe, increasing by over 1,100%.

At the end of 2008, 238 Italian property funds were in existence (+28% on 31/12/2007), with assets managed of approx. Euro 35 billion (Euro 32.4 billion at the end of 2007). It is estimated that in 2009, the number of funds will reach 250 holding approx. Euro 40 billion (approx. 10% of the total equity value of all mutual funds). The average yield, calculated on the retail funds and on a sample of the reserved funds, decreased in 2008 to 4.9% from 6.2% in 2007, however remaining above the European average of 3.7% (4.3% in 2007).

In relation to the average size of the assets managed by the real estate funds, in the majority of countries a resizing on the previous year took place. With the exception of France, where no significant changes occurred and Switzerland, where an increase in the average size occurred.

Overall, the largest funds are based in the Netherlands, where individual funds have an average value of over Euro 2.5 billion, followed by German open funds, with approx. Euro 2 billion. The smallest average assets, amounting to approx. Euro 116 million, is found in the Italian funds.

It is highly probable, according to sector studies, that an Italian property market recovery, in particular in the residential sector, is imminent - probably from the coming autumn.

The results of the real estate sector include the **Immobiliare Lombarda Group**, the subsidiary **Nit S.r.l.** and other minor companies, as well as the **Tikal R.E.** Closed Real Estate Fund.

The key data of the real estate sector is summarised below:

| (in Euro thousands) | 30/06/2009 | 30/06/2008 |
|----------------------------|----------------|----------------|
| Profits realised | 1,165 | 40 |
| Total revenues | 109,953 | 92,780 |
| Interest expense | 9,082 | 11,270 |
| Total costs | 133,247 | 104,909 |
| Profit/(loss) before taxes | (23,294) | (12,129) |
| (in Euro thousands) | 30/06/2009 | 31/12/2008 |
| Investment property | 1,414,042 | 1,271,595 |
| Financial liabilities | 475,632 | 451,068 |

The pre-tax result of the sector was a loss of Euro 23 million compared to a loss of Euro 12 million in 2008. The result includes the depreciation and interest expense for the period, not offset by any income from sales.

The principal activities in the first half of 2009 included:

- Fondiaria-SAI sold parts of a building for commercial use in Milan, Via San Giovanni sul Muro No. 21 at a price of Euro 1.4 million;
- the subsidiary Milano Assicurazioni acquired a building in Turin, Strada del Drosso 29 for commercial use for Euro 8.9 million;
- the subsidiary SAI Investimenti attracted subscribers for a new closed property fund called Athens R.E. Fund – speculative fund. This fund purchased from the subsidiary Immobiliare Lombarda S.p.A. buildings for hotel-accommodation use in Civitella Panico (GR) called Grand Hotel Terme di Petriolo for a price of Euro 40 million and in Taormina (ME) called Grand Hotel Capotaormina for a price of Euro 40 million. As this is an inter-group operation in that the newly constituted fund is controlled by the Group, the sale does not generate a gain in the present half year report;
- the closed Tikal property fund sold the building for office use in Florence, viale Matteotti, 72 for a price of Euro 7.2 million.

Renewal of the shareholder agreement relating to IGLI S.p.A.

On 11/06/2009, Fondiaria-SAI S.p.A. signed an agreement for the supplementation and the renewal until 12/06/2010 of the shareholder pact signed on 8/03/2007 and renewed on 12/03/2008 relating to the holding in IGLI S.p.A., a company which in turn holds a 29.96% stake in Impregilo S.p.A., listed on the MTA sector of the Italian Stock Exchange. The agreement relates to the governance of IGLI S.p.A., as well as the rights deriving from the shareholding of IGLI S.p.A. in Impregilo S.p.A.

The provisions of the Pact remain substantially unchanged, while establishing the right for each of the pact holders to purchase, also following an extraordinary operation and through derivative contracts, shares in Impregilo S.p.A. within a maximum limit of 5% of the share capital of Impregilo S.p.A. and under the condition that this purchase does not compel IGLI S.p.A. and/or the other pact holders to initiate a compulsory public purchase offer on the ordinary shares of Impregilo in accordance with article 105 and subsequent of Legs. Decree No. 58 of 24/02/1998, as subsequently amended.

It is recalled that Immobiliare Lombarda S.p.A. has a total holding in the company IGLI S.p.A. of 33.3% of the share capital and that the shareholder agreement relates to the governance of IGLI S.p.A. as well as rights deriving from the holding of IGLI S.p.A. in the share capital of Impregilo S.p.A.

In the half year, the subsidiary Immobiliare Lombarda S.p.A. paid Euro 5 million to the company in order to support its financial requirements.

Impregilo has completed - and is currently carrying out - some of the largest infrastructural operations nationally and internationally. In Italy the Group, leader of the consortium which will undertake a globally significant project on the Ponte sullo Stretto (Straits Bridge), completed the construction work on the Turin-Milan high speed railway line, the Mestre highway link and the Bologna-Florence railway line, with over 100 km of tunnels - a record in underground engineering. Internationally, the largest projects include the new central railway system in Venezuela, the hydroelectric plants in Ecuador, South Africa, the Dominican Republic and Venezuela, the hydraulic tunnel under the Mead Lake in Las Vegas (USA) as well as the infrastructural operations and the three university centres in Libya.

The renewal of the pact is subject to the necessary verifications of the Antitrust Authority.

Amendment of the partnership agreement for the real estate project “Porta Nuova Garibaldi”

As noted, Fondiaria-SAI is involved in (through the subsidiary Milano Assicurazioni) a joint venture with the US group Hines concerning a real estate development project in the area known as “Porta Nuova Garibaldi” in Milan, in relation to which Milano Assicurazioni in 2005 purchased a direct holding of approx. 48% in Garibaldi S.c.s., a Luxembourg vehicle company to carry out the above stated property projects through the Italian company Caprera S.r.l.

The general partner of Garibaldi S.c.s., as well as the manager of the entire project, is Garibaldi GP S.a.r.l., a holding of HEDF Luxembourg S.a.r.l. (Hines Group).

For these purposes, on June 30 contractual agreements were signed in order to allow the review, following the proposal of Hines as the manager of the project, of the corporate structure of the property project in question which provides for the progressive replacement of the company Caprera S.r.l. with a speculative closed property fund reserved to qualifying investors called "Porta Nuova Garibaldi – Mutual closed speculative property investment fund", managed by Hines Italia S.G.R. S.p.A., an asset management company in Italy forming part of the Hines Group.

The agreements which govern the new structure of the operation (including the so-called partnership agreement which covers, among other issues, the relations between shareholders of Garibaldi S.c.s. and the financing of the project) and consequently the progressive transfer of the project from the limited liability company to the fund, were signed by the Company and by the other parties involved in the operation. The terms and conditions protecting the investment of Milano Assicurazioni were unaltered and for some aspects were improved upon.

Due to that stated above, it is possible that the legal form of Garibaldi S.c.s. may be amended, a company which indirectly through Garibaldi S.a.r.l. (previously Garibaldi PE S.a.r.l.), holds the majority in the above-stated fund and of which Milano Assicurazioni, as stated, holds 48% of the share capital.

Furthermore, Hines amended the shareholders of Garibaldi GP S.a.r.l. (General Partner of Garibaldi S.c.s.), in which Milano Assicurazioni and, more in general, the Fondiaria-SAI Group will however continue not to possess shareholdings and Milano Assicurazioni confirmed, with reference to the stated project, its maximum undertakings (comprising of guarantees).

The area of the Garibaldi project is in Milan, between Corso Como, Piazzale Don Sturzo, via Melchiorre Gioia and the railway station and provides for the development of approximately 50,000 sq.m. for office use, 15,000 sq.m for residential use, 10,000 sq.m for retail use and 20,000 sq.m for exhibitory use. In 2009, the construction work completed involved the road works for the tunnel for the gardens of Porta Nuova in July. In order to create a more efficient corporate structure, following a comprehensive analysis of the partnership coordinated by Hines as the Managing General Partner, a review of the structure was carried out which resulted in the conferment of the area of the company Caprera S.r.l. to a speculative closed reserved property fund for qualifying investors. The above operation did not alter the commitments of Milano Assicurazioni.

Varesine Project

Fondiaria-SAI is involved directly, together with the parent company Premafin and the subsidiary Immobiliare Lombarda, in the real estate development project in the "Porta Nuova Varesine" area.

The area of the Varesine project is in Milan, between Via M. Gioia, Viale Liberazione, Via Galileo and Via Vespucci and provides for the development of approximately: 42,000 sq.m. for office use, 34,000 sq.m for residential use and 6,000 sq. m for retail use.

Tenders for the work took place in 2009 and the beginning of construction is expected in the third quarter of 2009. In July, the first contract for the Porta Nuova Varesine area was awarded. The award concluded a tender process lasting over 6 months in which some of the largest national and local businesses participated. The contract awarded provides for the completion of the first 3 buildings in the Porta Nuova Varesine project for a floor area of approx. 43 thousand sq.m., equal to slightly more than half of the entire private gross floor area of the lot and the relative parking.

As with Garibaldi, Varesine will undertake a corporate structure review which should conclude by the end of the current year.

Merger by incorporation of the fully held real estate subsidiaries

In the meeting of 17/06/2009, the Board of Directors of Fondiaria-SAI approved the merger by incorporation into Fondiaria-SAI S.p.A. of Mantegna S.r.l., Meridiano Quinto S.r.l., Meridiano Risparmio S.r.l. and Portofino Vetta S.r.l., as part of the rationalisation and corporate restructuring of the Group.

In particular, the basis of the merger relates to the fact that from 1/01/2009 the VAT exemption of the inter-group services no longer exists, except in the case of consortiums under paragraph 2 of article 10 of the Italian Presidential Decree 633/72 and that the property rental activities of Fondiaria-SAI in relation to inter-group rentals also became assessable. Consequently, the pro-rata VAT deduction of these separate activities should amount to 100%.

Therefore, it was decided to incorporate into the Company the real estate subsidiaries with property not held for sale.

The operation will allow the rationalisation of the corporate holdings, providing direct coverage of the technical reserves of the property assets held in the subsidiary property companies, to provide immediate rental cash flows to the Company and also providing a saving on the administrative costs relating to the maintenance of the corporate structures.

The companies Mantegna S.r.l., Meridiano Quinto S.r.l., Meridiano Risparmio S.r.l. and Portofino Vetta S.r.l. are controlled entirely by Fondiaria-SAI.

The merger should take place in a simplified form, without an increase in the share capital of the incorporating company, as the entire share capital of the incorporated companies is held, and will continue to be held at the date of the merger, by Fondiaria-SAI.

Taking account of this, it is also provided that, in accordance with law and the by-laws, the definitive approval of the merger by the Board of Directors of Fondiaria-SAI may be completed with a resolution communicated in accordance with law and without convocation of the shareholders' meeting.

Following prior authorisation by ISVAP and the subsequent filing and registration of the merger in the Company's Registration Office, it is expected that this decision will be taken by the Board during October in order to finalise the merger within the current year.

The operations of the incorporated companies will be included in the financial statements of Fondiaria-SAI from January 1 of the year in which the merger becomes effective in relation to third parties. The same effective date will be established also for tax purposes. If the merger is carried out within the current year, the accounting and fiscal effects will be retrospectively applied to 1/01/2009.

It is also stated, that for the same reasons expressed above, at the meeting of 17/06/2009, the Board of Directors of the subsidiary Milano Assicurazioni approved the merger by incorporation into Milano of the companies Meridiano Eur S.r.l. and Meridiano Orizzonti S.r.l., both 100% held by the incorporating company. In relation to the manner and the timeframe of this merger the same considerations as those expressed above in relation to the incorporation into Fondiaria-SAI of the above-mentioned property companies are valid.

Subscription to the speculative property fund Athens R.E. Fund

On 13/05/2009 Milano Assicurazioni subscribed to the speculative property fund Athens R.E. Fund, created and managed by the group company SAI Investimenti SGR S.p.A. (51% Fondiaria-SAI, 29% Milano Assicurazioni and 20% Premafin), subscribing for Euro 100 million.

This fund seeks in the medium-long term period to increase the value of the equity and to optimise yields, through a portfolio prevalently comprised of income generating property and property investments held for trading. In this context, it is expected that the real estate fund will principally focus on hotels, considering that such investments will establish in the above-mentioned period positive results for investors.

The investment has allowed the Company, with a view to strategic asset allocation, to increase the "Speculative Funds" asset class, taking account that these type of investments, which may include movable or immovable assets, currently represents a marginal component of the total financial investments of the Company (0.1% of the total of assets managed).

Villa Ragionieri S.r.l. – undertaking to install the sanitary systems in the property complex owned by the Company

The subsidiary Villa Ragionieri S.r.l. signed an agreement with IM.CO. S.p.A. to extend the operations which this latter was initially contracted for the creation in the area of the Villa Ragionieri, situated in the Sesto Fiorentino municipality, of a new sanitary complex for the highly specialised oncology centre.

In the last five years, successive amendments to the project for the realisation of the complex were presented to the Sesto Fiorentino Municipality.

The amounts agreed with IM.CO. for the execution of works and the provision of the necessary resources following the above-mentioned changes, in view of the high quality sanitary projects involved, amounted in total to approx. Euro 28 million, plus VAT.

Establishing IM.CO. as a related party of the Company, it was required that an independent expert prepare a report to verify these amounts are in line with those of the market. This opinion validated the appropriateness of the amounts tendered.

Sales to the Unicredit group of a real estate complex in Milan, Via Cambi, owned by the subsidiary Crivelli S.r.l. (100% Immobiliare Lombarda)

Agreements were signed between the company Crivelli S.r.l. (100% Immobiliare Lombarda) and Unicredit R.E. for the increase of the sales price agreed in 2007 for the land and the building for office use situated in Milan, Via Cambi, for the expansion of the offices adjacent to Unicredit R.E. according to a project already agreed with the future occupier.

In 2007 in fact, following some extensions to the project and consequently the entry into force of new regulations with regard to energy saving, the initial project underwent some changes following which it was possible to increase the commercial area under construction. In addition, operations which were not initially envisioned, which did not increase the surface area, generated a significant increase in costs.

The carrying out all of these works were entrusted to the company MI.PR.AV. – Milano Progettazioni Avanzate S.r.l. for the design services and to the company Martora Costruzioni S.p.A. for the building operations.

For the completion of the greater surface area and in order to render all of the amendments and/or additions of the original project possible, it was necessary to invest a further sum of approx. Euro 8.5 million, plus VAT.

Establishing both of the above companies as related parties of the Company, the total additional sum above indicated was verified by an independent expert, confirming the validity of the amounts.

Purchase by the subsidiary Immobiliare Lombarda of property in the San Donato Milanese area

On 20/05/2009 the subsidiary Immobiliare Lombarda signed a deed of understanding in order to redefine the property complex for accommodation use to be built in the area of San Donato Milanese (MI), Via Maastricht, purchased in 2005 from I.C.E.IN. S.p.A. at a price of Euro 18 million, to be rented subsequently by the company Atahotels S.p.A.

During the course of the works in fact, in consideration of the particular use of the asset, also taking account of sector changes both in the technological and regulatory ambit, changes were made to the agreement with I.C.E.IN., both qualitative and quantitative, to the property complex under construction. These changes, in order to increase the quality and value of the building, led to the extension of the completion of the asset (initially set at 31/12/2008) and to an increase of the sales price.

The above changes will allow an improved use of the structure through innovations servicing the greater needs of clients and which therefore constitute a significant added value. The increase in the available area and the consequent increase in the number of car spaces and housing units confers greater accommodation use to the building.

Against this the future asset, in the phase of execution, the amount to be paid in the contract was amended, with an increase in the sales price of Euro 10.3 million plus VAT and the extension of the delivery time.

Establishing I.C.E.IN. as a related party of the Company, this higher amount was validated by an independent expert.

As indicated, the operation provided from the beginning that the building, once completed, would be rented to Atahotels, based on the preliminary contract subsequently transferred by this latter to its subsidiary ITAL H&R S.r.l. The greater quantitative and qualitative level conferred to this property complex in the phase of completion brought about a review of the rental which was originally agreed. The validity of the new rental fee agreed in the rental contract was confirmed by an independent expert's opinion.

The table below highlights the results of the companies operating in the real estate sector:

| | REVENUES | CGE % | COSTS | CONTRIB. TO RESULT |
|---------------------------------|----------|---------|---------|-----------------------|
| (in Euro thousands) | | | | |
| IMMOBILIARE LOMBARDA S.p.A. | 111,084 | 39.09 | 106,041 | 4,250 |
| NUOVE INIZIATIVE TOSCANE S.r.l. | 32 | 210.35 | 483 | (451) |
| TIKAL R.E. FUND | 14,724 | (10.79) | 17,364 | (640) |

(*) Result before inter-group gains, amounting to Euro 23.7 million, reversed on the consolidation of the investment.

- NUOVE INIZIATIVE TOSCANE S.r.l.

The result in the first half of 2009 was a loss of Euro 451 thousand.

Revenues amounted to Euro 32 thousand, principally comprising of interest income on bank deposits and the grants from the Castello Consortium subsidiary capitalised. Costs in the half year amount to Euro 483 thousand and refer to operating grants to the Castello Consortium for Euro 44 thousand and property investment charges for Euro 315 thousand and various expenses for Euro 124 thousand.

The assets of the company at 30/06/2009 amount to Euro 123,001 thousand and consist essentially of property investments of Euro 110,227 thousand, principally referring to the real estate complex located at Castello - Florence, receivables of Euro 8,877 thousand, including VAT receivables transferred to the parent company for Euro 8,415 thousand, cash and cash equivalents of Euro 3,743 thousand and other assets of Euro 153 thousand.

Liabilities essentially consist of net equity of Euro 118,213 thousand and other payables of Euro 4,787 thousand, of which Euro 3,641 thousand relates to the Municipality of Florence for grants on construction costs.

In relation to the Castello Area sequestration of November last, reference should be made to the information provided in greater detail in the consolidated financial statements at 31/12/2008, with nothing new to report in the first half of the year.

- TIKAL R.E.

With reference to the closed real estate investment fund Tikal R.E. Fund, the nominal value at 30/06/2009 was Euro 290,481 compared to Euro 302,831 at 31/12/2008.

The performance in the first half of 2009, considering the 2008 income of Euro 11,250 paid in March 2009, recorded a total decrease of the unit value to Euro 1,100.166, amounting to a drop of 0.37%, calculated according to the Assogestioni methodology.

The real estate management activities, despite the crisis, are aimed at maximising rental returns and increasing the value of property through conservation, improvements, restructuring and compliance with law. Total rental income in the first half of the year amounted to Euro 11.7 million, a decrease of 4% on Euro 12.2 million in the first half of 2008.

The decrease is principally due to the lower revenues of Euro 1.8 million for the sale of the building in Via Copernico, Milan at the end of 2008 and the lower revenues of the property remaining in portfolio for Euro 0.2 million, offset in part by revenues relating to the building purchased by the Fund in the previous year for Euro 1.5 million.

The rental activity is focused on the occupation of vacant spaces and on the renegotiation of contracts expiring. New rental contracts were signed on the buildings at Via Murat, Via Tucidide and Via Pisani in Milan.

In relation to maintenance and capital appreciation activities of the assets in 2009, new works of Euro 17 million were approved, of which Euro 10.8 million were for extraordinary maintenance, tenant rotation, repairs and Euro 6.2 million for improvements.

In the half-year capitalisation work was undertaken (improvements and compliance with law) totalling Euro 2.5 million including verification of stage of completion and Project Management commissions.

Relating to the principal long-term actions, the situation was as follows:

- Galleria San Federico - Turin: following the contracts award, in the first half of 2007, the rebuilding works of the ex Lux cinema began, which provides for the conversion into a multiplex (3 cinemas of between 150-250 places), as well as the building of approx. 2,500 sq.m. of new commercial spaces and the building of 25 covered car spaces. The total amount of the operation is approx. Euro 19 million; in the half year works were capitalised of Euro 1.3 million. The works are proceeding according to the timeline established and the end of the project is expected for the second half of 2009;
- Via Tucidide - Milan: in relation to the refurbishment work of floors 9 and 10 of the Towers, those relating to Tower 3 are in the final phase of completion; in relation to the other towers, the Board of Directors decided to suspend works until the economic situation becomes more stable in order to allow the maximum yield from the new spaces created;
- Via Pisani – Milan: the works regarding the refurbishment of the underground floors are in the phase of completion; works amounting to Euro 0.5 million were completed in the half year.

All the maintenance and improvements made on the buildings in portfolio in the first half of the year were financed through the utilisation of loans acquired by the Fund.

In relation to the purchase of the hotel in Pero (MI) – Via Keplero, in March the Fund paid the final tranche of Euro 23.9 million plus VAT utilising the Loan lines obtained in 2007.

At the end of the half year, the financial liabilities of the Fund amounted to Euro 187.6 million with an increase of Euro 33.9 million on the end of 2008 (+22%).

At 30/06/2009 the total debt to market value of the properties ratio amounted to 33%.

The portfolio of the Fund at 30/06/2009 amounted to Euro 16.3 million, comprised 61.31% of Government Securities at variable interest rates, 5.69% of High Standing Corporate Bonds, for 3.11% of Government Securities at fixed rates and for 29.89% of Government Securities utilising the “zero coupon” formula.

The average yield of the portfolio at the same date was 1.72%, while the duration was 0.7%.

Extraordinary maintenance actions will be taken in the management of the Fund and the necessary improvements in order to guarantee the maximum value of the property portfolio. Divestment opportunities offered by the market both in relation to opportunistic operations or rationalisation on those buildings not requiring long-term improvement operations will be sought.

With regard to the property undergoing important improvement works (in particular on the Galleria San Federico at Turin, Via Keplero at Pero and Via Tucidide at Milan), it is planned to maintain these buildings in the portfolio until the expiry of the Fund, in order to maximise their profitability, benefiting as long as possible from the expected increases on the rental income and therefore on the real estate management margin.

With the liquidity generated in the sales years and with the new Loan signed in 2007, it is intended to increase the size of the property portfolio and to stabilise the annual income generated by the Fund and expected by investors.

The Fund will also, based on the disposal of the assets managed, evaluate the repayment of the capital paid by the subscribers, after an assessment of the possible investment opportunities on the market, in the interest of the subscribers and in accordance with the Regulations.

Finally, it is noted that the subscriptions have not been reopened and no date has been given for the disposal of the units.

Partial non proportional spin-off project of the company Immobiliare Lombarda S.p.A. in favour of two newly incorporated companies held entirely by Fondiaria-SAI and Milano Assicurazioni S.p.A.

In the meeting of June 17, the Board of Directors of Fondiaria-SAI S.p.A. ("Fondiaria-SAI") and of Milano Assicurazioni S.p.A. ("Milano" and together with Fondiaria-SAI the "Companies") approved the guidelines of a partial non proportional spin-off project (hereafter also the Operation or the Spin-off) of Immobiliare Lombarda into two newly-constituted companies (Newco), one held 100% by Fondiaria-SAI and the other by Milano, which will be allocated the complexes subject to the Spin-off (hereafter: the Complexes).

The operation, previously approved by the Board of Directors of Fondiaria-SAI and Milano, is part of an inter-group reorganisation project of the activities of Immobiliare Lombarda, in order to ensure greater efficacy/efficiency in relation to the current allocation within the Fondiaria-SAI Group of the capital, risks and yields of the three principal business areas concerning the activities of Immobiliare Lombarda and therefore facility management, property management and project development.

This project was an integral part of the wider corporate/industrial restructuring approved at the beginning of the previous year by the Board of Directors of Fondiaria-SAI and Milano and announced to the market, which provided, among other issues, that Immobiliare Lombarda would continue to preside over the business relating to property management, remaining a jointly held company by Fondiaria-SAI and Milano.

It is also noted that as a result of the public purchase offer launched by Fondiaria-SAI on Immobiliare Lombarda and the subsequent conferment in favour of Milano by Fondiaria-SAI of a holding of 27.88% in the capital of Immobiliare Lombarda, this latter is today held respectively 60.97% and 39.03% by Fondiaria-SAI and Milano.

In relation to the property management and the project development activities, the inter-group restructuring of the activities carried out by Immobiliare Lombarda provided that the assets and the property development initiatives could be transferred directly in the assets of the company and/or placed in relative vehicle companies.

The Spin-off project approved by the shareholders' meeting of Immobiliare Lombarda marks the end of the final phase of the project begun with the launch of the public purchase offer and in line, as stated, with that already announced to the market – completed in order to allocate the greater part of the assets (property, shareholdings and property development projects) and the related liabilities of Immobiliare Lombarda directly to its shareholders (Fondiarial-SAI and Milano).

The strategic basis for the Operation, as explained, is to separate, within the Group, the real estate management, a role which will remain with the “new” post spin-off Immobiliare Lombarda with its specialised technical know-how, and institutional investment within the same sector (this latter attributed to the two shareholding insurance Companies of Immobiliare Lombarda and dedicated to institutional investors with adequate financial resources).

In this manner the “new” Immobiliare Lombarda, which will remain after the spin-off, will adopt a new mission, changing from a mixed real estate operator, as well as captive, of the Fondiaria SAI Group, to a specialised operator in the consultancy and the provision of services relating to the management and development of both Group and third party real estate assets, open to commercial alliances with other real estate operators through which it can expand its presence in the sector. Taking account of this, the “new” Immobiliare Lombarda will have an economic profile prevalently characterised by income from the management of Group and third party properties against costs related to their management, including in particular those relating to employees, which – at least initially – will remain within the company.

As described in greater detail below, the proposed merger of the two Newcos in the respective holding companies presents advantages such as:

- optimisation of the management of investments in development projects;
- optimisation of the programming of financial cash flows of the Group, in order to balance the needs of the insurance sector with that of the real estate sector;
- maximisation of returns for the shareholder, through the above-mentioned separation of the management and investment roles within the Group investment policies.

The Operation will not involve any payment as per article 2506, paragraph 3 of the civil code and therefore any differences in the profile of the shareholders from those originally constituted is managed through the sale (to be carried out before the effective date of the Spin-off) between Fondiaria-SAI and Milano of a shareholding of Immobiliare Lombarda pre Spin-off of the amount in order to allow the rebalancing of the relative Complexes in relation to the shareholding in Immobiliare Lombarda at the date of approval of the Spin-off project.

In particular, the Board of Fondiaria-SAI firstly approved on June 17 the guidelines for the Operation and in particular specifically relating to the Company, the constitution, as a result of the Spin-off, of a 100% held Newco by Fondiaria-SAI, with allocation to the same of a portion of net equity of the spun-off company, comprising the assets and liabilities indicated in the Spin-off project with reference to the balance sheet position of Immobiliare Lombarda at 31/05/2009 and except for adjustment of any differences in the accounting value of the above-mentioned elements, due to the corporate performance of Immobiliare Lombarda, determined at the effective date of the Spin-off.

Given the size of the Operation and also in consideration of the nature of the inter-group operation, in accordance with the applicable regulations and the conduct principles adopted by the Company, the Board of Directors of Fondiaria-SAI appointed at the same meeting of June 17 KPMG ADVISORY S.p.A. as independent experts (hereafter: KPMG) to assist the Board:

- in verifying the economic value of the current holding in Immobiliare Lombarda and the economic value relating to the complex subject to the Spin-off to the Newco held 100% by Fondiaria-SAI, taking account of the residual value of the shareholding in Immobiliare Lombarda following the Spin-off
- in the determination of a range of values attributable to 100% of the economic capital of Immobiliare Lombarda to be utilised as a reference for the determination of the price for the sale between Fondiaria-SAI and Milano of the Immobiliare Lombarda shares post Spin-off, in order to allow, as a requirement of the same Spin-off, the neutralisation of any monetary amount for the transfer of a minority share of the share capital of Immobiliare Lombarda between the shareholders.

KPMG was previously the advisor to Fondiaria-SAI for the first phase of the operation, completed in April 2008.

For its part, the Board of Milano firstly approved on June 17 the guidelines for the Operation and in particular specifically relating to the Company, the constitution, as a result of the Spin-off, of a 100% held Newco by Milano, with allocation to the same of a portion of net equity of the spun-off company, comprising the assets and liabilities indicated in the Spin-off project with reference to the balance sheet position of Immobiliare Lombarda at 31/05/2009 and except for adjustment of any differences in the accounting value of the above-mentioned elements, due to the corporate performance of Immobiliare Lombarda, determined at the effective date of the Spin-off.

In the same manner as Fondiaria-SAI, in relation to its commitment, Milano Assicurazioni appointed CREDIT SUISSE SECURITIES (EUROPE) LIMITED as advisor, already advisor in relation to the first phase of the operation, completed in April 2008.

Also on June 17, the Board of Directors of Immobiliare Lombarda, meeting after the Boards of Fondiaria-SAI and Milano and taking account of the resolutions carried by these latter, approved for its part the Spin-off project, identifying the elements to be assigned to each of the beneficiary companies, the relative economic values and the exchange ratios upon which the beneficiary companies will be assigned to the two companies, therefore convening the extraordinary shareholders' meeting.

The values of the complexes were subject to an examination by DELOITTE & TOUCHE, the expert assigned by the Board of Immobiliare Lombarda to prepare the report in accordance with article 2501.6 of the civil code and for the Spin-off in accordance with article 2506.3 of the civil code, in the case of the non proportional Spin-off.

The Board of Fondiaria-SAI therefore met again on July 7 and, having heard the results of the work by KPMG, considered from a financial point of view the portion of the share capital of Immobiliare Lombarda to be transferred post Spin-off from Milano to Fondiaria-SAI correct in order to neutralise any monetary amount deriving from the exchange resolved by the Board of Directors of Immobiliare Lombarda, based on which the portion of the constituting beneficiary company will be assigned by the same 100% subsidiary as follows:

- to Fondiaria-SAI the only share newly issued of the Newco amounting to a nominal Euro 20,000 against the cancellation of 2,456,103,179 ordinary Immobiliare Lombarda shares of a nominal amount of Euro 0.17 for each held, without any monetary payments.

The Board of Fondiaria-SAI on July 7 therefore resolved to purchase from Milano 131,245,047 Immobiliare Lombarda shares, amounting to 3.20% approx. of the share capital of this latter, at a price of Euro 22,700,000, which equates to the average value of the range attributable to 100% of the share capital of Immobiliare Lombarda estimated by KPMG.

For its part, the Board of Milano met again on July 7 and, having heard the results of the work by CREDIT SUISSE, considered from a financial point of view the portion of the share capital of Immobiliare Lombarda to be transferred post Spin-off from Milano to Fondiaria-SAI correct in order to neutralise any monetary amount deriving from the exchange, based on which the portion of the constituting beneficiary company will be assigned by the same 100% subsidiary as follows:

- to Milano the only share newly issued of the Newco amounting to a nominal Euro 20,000 against the cancellation of 1,371,273,795 ordinary Immobiliare Lombarda shares of a nominal amount of Euro 0.17 for each held, without any monetary payments.

The Board of Milano on July 7 therefore resolved to sell to Fondiaria-SAI 131,245,047 Immobiliare Lombarda shares, equal to approx. 3.20% of the share capital of this latter, at a price of Euro 22,700,000, which approximately amounts to the average value of the range attributable to 100% of the share capital of Immobiliare Lombarda estimated by CREDIT SUISSE.

As stated, the Spin-off project was therefore finally put to the shareholders' meeting of Immobiliare Lombarda on 16/07/2009 and was approved.

Characteristics of the Complexes subject to the Spin-off

From the point of view of their composition, the real estate Complexes subject to the Spin-off in favour of the two Newcos were composed of:

- buildings owned;
- investments in subsidiaries and associated real estate companies;
- the shareholding in IGLI S.p.A.

Taking account of the sale by Immobiliare Lombarda of significant properties after 31/12/2008, it was considered appropriate to utilise the balance sheet situation for the Spin-off as the updated situation at 31/05/2009.

Based on the identified Complexes, the accounting treatment of the same, the economic values and the consequent exchange ratios based on which the shares of the beneficiary companies will be allocated to the two companies are included in the Spin-off project approved by the Shareholders' Meeting of Immobiliare Lombarda. This project was prepared based on the balance sheet situation of Immobiliare Lombarda at 31/05/2009, attached to the same project and which takes account also of the expert's opinions, updated at that date, prepared by PRAXI S.p.A. and by SCENARI IMMOBILIARI S.r.l., appointed by Immobiliare Lombarda.

It is provided that each asset and liability of Immobiliare Lombarda allocated to each of the two Newcos will be transferred together with the relative receivable and payable items as well as the bank debt relating to the same assets. It is further provided that the principal real estate development initiatives are included in the Complex allocated to the Newco controlled 100% by Milano, while the shareholding held by Immobiliare Lombarda in IGLI S.p.A. will be equally distributed between the two Newcos.

It was also concluded that due to the referability of the financial debt of Immobiliare Lombarda to the individual assets forming parts of the two Complexes, that this debt – both to the banking system and the parent company Fondiaria-SAI and/or its subsidiaries – will be allocated, in line with the breakdown specified below, to the two Newcos.

Consequently, the shareholders' equity of Immobiliare Lombarda will be allocated to the two beneficiary companies in portions corresponding to the two Complexes allocated to the same. The share of residual shareholders' equity which will remain post Spin-off within Immobiliare Lombarda will therefore remain a joint holding of Fondiaria-SAI and Milano.

The following is stated in relation to the three Complexes.

Newco held 100% by Fondiaria-SAI - “Immobiliare Fondiaria-SAI S.r.l.”.

The Complex attributed to the Newco includes property and holdings in subsidiary and associated companies (including the 50% holding of Immobiliare Lombarda in IGLI S.p.A.).

Based on the assets and liabilities included in this Complex, the net shareholders' equity allocated to the Newco, based on the balance sheet situation of Immobiliare Lombarda updated at 31/05/2009, amounts to Euro 408.8 million.

Newco held 100% by Milano - “Immobiliare Milano Assicurazioni S.r.l.”.

The Complex allocated to the Newco includes property and shareholdings in subsidiary and associated companies (including the other 50% of the shareholding of Immobiliare Lombarda in IGLI S.p.A.) and cash and cash equivalents.

This Complex also includes debt to credit institutions, for a total of approx. Euro 142 million, as well as to companies of the Fondiaria-SAI Group, relating to two inter-group loans for a total of approx. Euro 106 million.

Based on the assets and liabilities included in this Complex, the net shareholders' equity allocated to the Newco, based on the balance sheet situation of Immobiliare Lombarda updated at 31/05/2009, amounts to Euro 241.9 million.

Residual Complex

The residual net equity amounts to approx. Euro 25 million. No residual property exists in the Complex in question which will maintain its shareholding in the company TRE TORRI CONTRACTOR S.c.a.r.l. for operative reasons. No residual bank debt exists in the Complex in question and all the employees of Immobiliare Lombarda will remain, post Spin-off, at least initially, as this latter activities will be focused in the provision of services relating to property both owned by the company and third parties.

As an effect of the Spin-off, the book value of the shareholding held by Fondiaria-SAI and Milano and Immobiliare Lombarda, taking account also of the transfer of a minority shareholding between Fondiaria-SAI and Milano, will proportionally reduce to the economic value transferred.

The composition proposal of the Complexes is based both on the mission of the “new” Immobiliare Lombarda and on a balanced distribution of assets between the companies paying heed to their varied requirements.

In the definition of the composition of the Complexes, preliminarily agreed by Immobiliare Lombarda with Fondiaria-SAI and Milano and approved by the Board of Directors of these latter in the meetings of June 17 stated above, account was taken of the pre-existing situations of the companies in terms of assets to cover reserves and of the future situation of the same in terms of:

- proportion of property investments of the total assets of the beneficiary companies;
- diversification of the specific property investment portfolios of the beneficiary companies;
- financial support capacity of the property development projects.

In this sense, the portion of shareholders' equity assigned to the Complex allocated to the Newco held 100% by Milano is made up of assets (property and property development initiatives) of a higher value than the assets assigned to the other Complex, against a higher debt exposition allocated to the first Complex which prospectively, whenever all or part of the repayments are made, will allow Milano, also through financial support to the development projects, to bring the proportion of the class of property investments of the total to a level more in line with that of the parent company Fondiaria-SAI.

Finally in relation to the shareholding of Immobiliare Lombarda in IGLI S.p.A., this was equally distributed to both of the Newcos, given the strategic importance of the investment for the activities of the Fondiaria-SAI Group in the real estate sector.

As stated, in order to equate exactly the shareholding held in Immobiliare Lombarda by Fondiaria-SAI and Milano to the economic value of the two Complexes - and therefore in relation to that stated above to ensure that no monetary amount in accordance with article 2506, paragraph 2 of the civil code is generated, it is provided that Fondiaria-SAI purchases from Milano, before the Spin-off operation, a further holding in Immobiliare Lombarda amounting to approx. 3.20% of the share capital, corresponding to 131,245,047 shares at a price of Euro 22,700,000.

Following this sale Fondiaria-SAI and Milano will hold in Immobiliare Lombarda respectively approx. 64.17% and approx. 35.83% of the share capital.

It is provided that, following the Spin-off, with prior authorisation by ISVAP and compatible with the timeframe required under existing regulations, Fondiaria-SAI and Milano will proceed to incorporate, through a simplified merger in accordance with article 2505 of the civil code, the Newcos respectively as 100% subsidiaries.

The operation is structured such that, as per the guidelines announced to the market, there will be a neutral effect on the consolidated income statement of Fondiaria-SAI.

The entire Operation described above is subject to specific prior authorisation by ISVAP for some parts, in particular the incorporation of the Newcos (which exist directly as an effect of the Spin-off) and the transfer between the two companies of the above-mentioned shareholdings in Immobiliare Lombarda for the reasons set out above and the assumption of the inter-group debt by Fondiaria-SAI, as shown above.

It has been expected that, with the lapsing of the fixed time established by the Civil Code for any contestation by creditors to the Spin-off project and after the authorisation by ISVAP, the Spin-off may take place by the middle of October.

Other Sectors

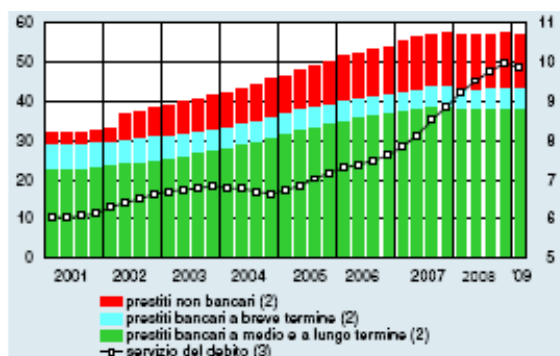
The savings of Italian households

In the first quarter of the year, household spending in real terms reduced by 1.1% on the previous period (-2.6% on the same period of 2008). In the second quarter, household confidence gradually recovered but demand prospects were affected both by the risk of economic setbacks and a deterioration in the labour market.

From the second half of 2007, household debt in relation to disposable income remained substantially stable, amounting to approx. 57% (Ref. Graph 10: the data includes also securitised loans). In the Euro Area, household debt however increased: in particular, at the end of December 2008 it amounted to approx. 93% of disposable income.

Interest rates however continued to decline, particularly for home purchases, less so for consumer credit (Graph 11); during the year, the lower rates will affect the servicing of debt on loans at variable rates, over two thirds of the total.

Graph 10 – Household debt ⁽¹⁾
(in % of gross disposable income)



Source: Bank of Italy Bulletin No. 57/2009, elaboration on ISAE and Istat data:

- 1) the disposable income for 2009 is estimated based on the quarterly national statistics data;
- 2) data at the end of the period;
- 3) right column: indicator referring only to households and the twelve month period.

Graph 11 – Interest rates on household debts ⁽¹⁾
(AER on new loans, values in %) ⁽²⁾



Source: Bank of Italy Bulletin No. 57/2009, elaboration on ISAE and Istat data:

- 1) the bank rates refer to operations in Euro;
- 2) the AER includes the accessory expenses and refers to the average weighted amount between the various maturities.

Asset Management

At the end of June, asset management saw greater redemptions with outflows of Euro 1.4 billion, despite mutual investment funds in the month of May recording positive inflows, interrupting a period of strong outflows which lasted since the summer of 2007.

Based on that recorded by Assogestioni, foreign funds recorded positive inflows (Euro 0.1 billion): the Italian Funds promoted by Italian and foreign groups recorded an outflow (Euro -1.6 billion). Despite a negative balance at the end of the month (Euro -1.4 billion), the assets managed further consolidated their position over the threshold of Euro 401 billion. The Balanced products were the only category in positive territory for the month (Euro 0.04 billion) with growing assets at approx. Euro 16.8 billion, equal to 4.2% of total assets.

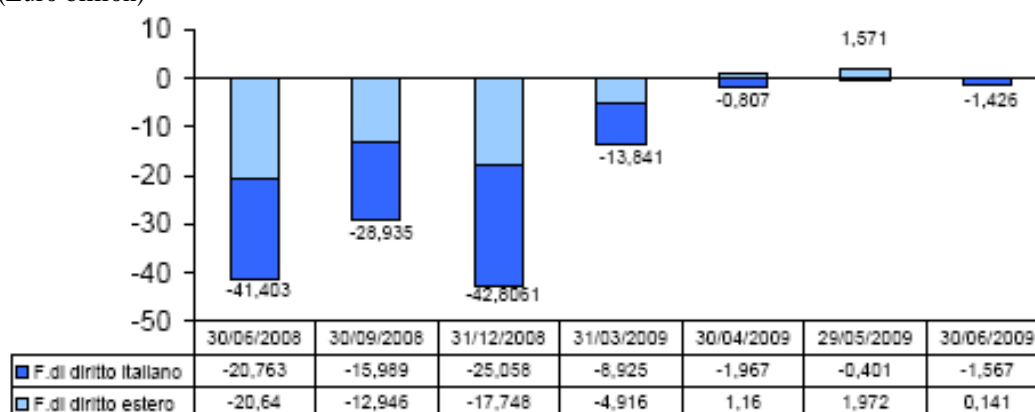
For the other categories of products, the outflows were largely consistent. The Equity based products were less solid recording outflows of Euro 0.06 billion. The assets assigned to this category decreased slightly and under the threshold of Euro 75 billion, equal to 18.6% of the total assets in funds. The hedge funds lost Euro 0.1 billion, whose assets at the end of the month amounted to 4.1% of total assets (approx. Euro 16.6 billion). After the exploit recorded in May (Euro +0.8 billion), in June, the flexible funds recorded outflows of Euro 0.2 billion. The assets invested in these products is substantially stable at Euro 52.7 billion, equal to 13.1% of the assets invested in funds.

The liquidity funds were also negative, which recorded redemptions of Euro 0.5 billion and assets slightly reducing to Euro 87.2 billion, amounting to 21.7% of total assets. The products greatest hit by outflows were the Bond funds, equal to 38.2% of assets, but despite redemptions of Euro 0.6 billion, the assets in this category increased to Euro 153.2 billion.

The Italian Groups, which hold 82.2% of assets, recorded outflows of Euro 1.2 billion.

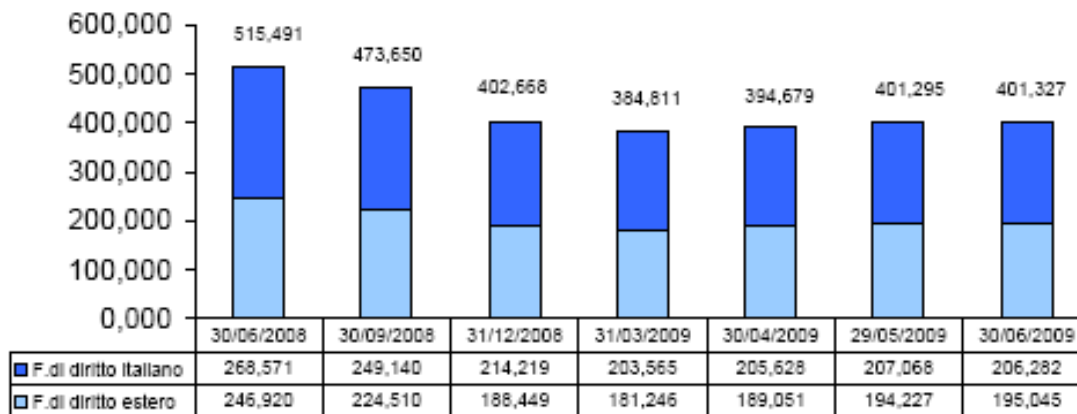
The Foreign Groups recorded outflows of Euro 2.3 billion.

Graph 12 –Net Flow Movement
(Euro billion)



Source: Assogestioni – monthly trend on Open Funds – June 2009.

Graph 13 – Change in Assets managed
(€ mld)



Source: Assogestioni – monthly trend on Open Funds – June 2009.

Consumer credit

In the first quarter of the year, according to the quarterly survey on bank credit in the Euro Area (Bank Lending Survey), the loan policies offered to households overall recorded a further tightening, although more contained than previous quarters. For the other loans excluding mortgages, the restrictions are related to the increase in perceived risks and the unfavourable economic prospects, the deterioration of credit and the risks on the value of guarantees received.

The Italian brokers are acting entirely in line with these findings, with reference both to the level of restriction criteria on loans and with the easing compared to the previous quarter.

From the forecast data it is clear that the weakness of the economic cycle and the maintenance of tensions within the financial markets will limit growth throughout 2009 in demand for household credit. Growth is expected only to return in 2010. Against the weakness in the mortgage sector, consumer credit will assume greater importance within the realm of household finance. In the 2 year period 2009-2010, consumer loans should progressively increase, respectively by 6.2% and 8.5%, with an estimated 5% increase in 2008.

The market should bring about a higher degree of cooperation between the Italian banking groups and the specialised companies and a further move towards direct credit forms.

Operational performance

The sector “Other activities” includes the companies of the Group operating in the asset management sector, the financial services companies and the subsidiaries BancaSai and Banca Gesfid.

The sector pre-tax profit was Euro 2.6 million (Euro 19.1 million in the first half of 2008).

Despite the turbulence on the financial markets, particularly in the first part of the year, the sector result benefited from the positive contribution of Banca Gesfid and Italiberia. The contribution of Finitalia was positive (although decreasing), while the subsidiaries Auto Presto&Bene and Saiagricolo were affected for the first by the uncertainties related to the start-up costs of the initiative and for the second to the sales volumes which were still unable to cover the fixed costs of the activity.

The key highlights of the companies operating in the banking and managed funds sector are shown below:

| | BROKERAGE MARGIN | CHANGE % | CONTRIB. TO RESULT |
|----------------------------------|-----------------------------|-----------------|-------------------------------|
| (in Euro thousands) | | | |
| BANCA GESFID S.A. | 11,041 | 4.07 | 3,823 |
| BANCASAI S.p.A. | 12,094 | (6.46) | (705) |
| SAI ASSET MANAGEMENT SGR S.p.A. | 1,989 | (28.14) | (976) |
| SAI INVESTIMENTI SGR S.p.A. | 2,223 | 15.95 | 911 |
| SAI MERCATI MOBILIARI SIM S.p.A. | 248 | (130.88) | 702 |

- BANCA GESFID S.A.

A net profit of CHF 5,862 thousand was recorded in the first half year, a slight fall on the first six months of the previous year (CHF 6,161 thousand), but still in line with 2009 budget forecasts.

The generalised drop in interest rates negatively affected the interest operations (CHF -1,588 thousand) although offset by the strong improvement in the commission and trading operations (respectively CHF +1,408 thousand and CHF +1,293 thousand compared to the previous half year).

Management expenses amounted to CHF 10,992 thousand and comprised of CHF 8,122 thousand personnel expenses, an increase of 14% following the growth of the workforce under the expansion policy and CHF 2,870 thousand for material expenses, unchanged compared to the previous year.

The balance sheet reports a considerable increase in deposits from clients (CHF +19,319 thousand) based on the lower propensity to risk assumed by clients, in an unfavourable financial market context, favouring liquidity instruments issued by the bank. The investment profile illustrates therefore a strong increase in the receivables from banks which amount to CHF 222,838 thousand.

The assets managed amounted to CHF 2,407 million, a slight increase (+2%) on 31/12/2008.

- BANCASAI S.p.A.

A loss of Euro 0.7 million was recorded in the first half of 2009 (profit of approx. Euro 0.2 million in the first half of 2008). The interest margin amounted to Euro 8.4 million compared to Euro 8.2 million in the first half of 2008 (an increase of 2.4%).

The consolidation of the assets managed by the bank was confirmed in the first half of 2009, amounting to Euro 1,175 million compared to Euro 1,162 million at the end of 2008.

In the first half year, the number of current accounts grew by 509, from 14,891 at the end of 2008 to 15,400 at June 30. The current account totals amounted to Euro 504 million, a decrease of 5.78% on the year-end (Euro 535 million).

Growth was recorded in the retail and corporate accounts (increasing overall by Euro 34.3 million with a percentage increase of 12%) confirming the growth trend principally with corporate clients begun in previous years (+18% on the end of 2008).

While awaiting a more stable macroeconomic and financial scenario, clients remain more disposed toward defensive type of investments: therefore, direct deposits remain substantially stable at Euro 576.2 million (in line with the end of the year data of Euro 593.7 million).

Savings administered increased substantially in the first half year reaching Euro 216.3 million at 30/06/2009 (+9.8% on Euro 196.9 million at the end of 2008). While the previous year underwent a significant resizing (-36%) of activities due both to the loss in value deriving from the negative performance of the financial markets and of the net outflows, at June 30 the situation seems to have stabilised with assets managed increasing slightly (3%) on December 31, 2008 to Euro 382.6 million compared to Euro 371.4 million at the end of the year. Following the stabilisation of the assets in question, as well as the progressive recovery in the financial markets in the second quarter of 2009, the restructuring of the Financial promoters' Networks of the Banks also contributed which concluded at the end of last year.

In the first half of 2009, loans showed decisively more contained growth compared to the past, a consequence of the reaching of significant levels with prefixed objectives and the focus of the management activities on the portfolio acquired, an activity induced also by the progressive worsening of the economic situation. The loans in the period exceeded Euro 640 million, with mortgages recording an increase of over 10 percentage points on the same period of the previous year and representing more than 1/3rd of the overall portfolio. Nearly 70% of loans were issued by the four branches (Turin, Florence, Milan and Genoa). The territorial banking model ensures, thanks to the direct and expansive knowledge of the counterparties and the local economic situation, a competitive advantage.

The distribution networks consisting of financial promoters and Agents achieved a high level of residential mortgage loans of over Euro 100 million (at June 2008 these amounted to Euro 16 million). In relation to the guarantees acquired, approx. half of the loans portfolio was assisted by secured guarantees, less than 1/3rd of the total loans were without any guarantees: of these, 56% refer to exposure to companies, employees and agencies of the Fondiaria-SAI Group. Overall, the quality of the loan book remains good: 96.7% of the loan portfolio is current, while the loan portfolio comes under the "BB" rating.

The first half of 2009 saw the completion of the rationalisation of the sales networks begun in June 2008. At June 30, the total “active” consultants, or with an asset base of at least Euro 0.5 million, amounted to 346 distributors throughout Italy. In relation to the sales structure, the training of the insurance Agents of the companies of the Group for the distribution of non regulated banking products by CONSOB continued: at 30/06/2009, the total amounted to 1,871.

As expected, in March BancaSai, in association with the Parent Company Fondiaria-SAI, carried out a partial spin-off project, in accordance with article 2506 of the Civil Code in favour of the company Eurosai, wholly owned by Fondiaria-SAI, concerning the bonds issued reported in the table below. The spin-off of the assets occurred on March 12 at the book values at 31/12/2008 amounting to Euro 3,960 thousand, net of the relative impairment of Euro 4,546 thousand, recorded in the income statement in 2008.

| ISIN | Company | Maturity | Nominal Quantity |
|--------------|--------------------------|------------|------------------|
| XS0236183207 | INTL LEASE FINANCE - AIG | 15/08/2011 | 2,000,000 |
| XS0224346592 | LEHMAN BROTHERS | 20/07/2012 | 5,000,000 |
| XS0200284247 | LEHMAN BROTHERS | 22/09/2014 | 1,500,000 |
| Total | | | 8,500,000 |

In February, the subsidiary Finitalia issued a loan bond of Euro 25 million with a duration of 5 years at a fixed rate of 4.1% reserved to the parent company BancaSai.

In the first half of 2009, the development of products was concentrated in particular in the banking services offered both to private clients and for those belonging to the Fondiaria SAI Group or rather Employees, Agents, Financial Brokers and Agencies. The principal projects concerning the structure of the Bank in the first half of 2009 included:

- regulatory projects, such as: the enactment of the Tremonti Decree and the Anti-crisis Decree, which established the possibility for clients who have mortgages at variable rates to limit the rate, respectively, to an average value in the period or at 4% establishing, for the residual, a current account which will hold the difference between the rates; the enactment of the regulation regarding the Single Justice Provision which will record and subsequently transfer to the stated single fund client items subject to judgments by the legal authorities;
- business projects, such as: the beginning of the I-POS project, which allows the development of greater synergies between the Bank, the insurance agencies of the Fondiaria-SAI Group and the insurance companies. The project intends to provide advanced collection instruments for premiums such as POS terminals (with cheque clearance), allowing the improvement of the agency management; the introduction of the marketing form, which will allow the analysis in detail of the client’s characteristics for each segment by types and needs, in order to create marketing campaigns aimed at the different banking target clients; the constitution of the Retail Customer Service Branches, for the management of the clients related to the Sales Network and the maximum transfer of the clients from the Turin branch to the newly formed RCS Branch.

The activation of procedures and IT modules in order to support the hedging activities subject to interest rate risks and the drawing up of the relative internal regulations/processes; the full activation of the newly incorporated Credit Office, with the relative introduction of IT modules and the preparation of the internal regulations governing their functioning; the start-up of production of the Management Control with the granting of the powers for the drawing up of the report of the branches for the determination of the interest margin.

Bank capital requirements amounted to Euro 115 million, 2.5% down on 31/12/2008.

In the first half of 2009, operating costs amounted to approx. Euro 11 million compared to Euro 10.2 million in the previous half year, an increase of 6%. Personnel costs increased by 4% due to the increase in the number of employees. The stability in costs is due to the containment initiative put in place, despite expenses incurred in the opening of new branches and a greater use of IT systems and all corporate resources.

In relation to the start-up of the projects included in the three year plan in the coming Autumn, with the attainment of authorisation, the Bank will open a branch office in Padua which will manage development in the northeast of Italy region.

- SAI ASSET MANAGEMENT SGR S.p.A.

In the first half of 2009, the company recorded a loss of Euro 976 thousand compared to a loss of Euro 368 thousand in the same period in the previous year.

Total assets managed at June 30, 2009 amount to Euro 552 million, compared to Euro 728 million in the same period of the previous year. At December 31, 2008, they amounted to Euro 571 million, a reduction in the first half year of Euro 19 million.

The worsening of the result is due to the decrease in net commissions following the general crisis within the asset management sector which reduced considerably the assets managed by the company. The unsatisfactory market performance has affected performance commissions.

- SAI MERCATI MOBILIARI SIM S.p.A.

A profit of Euro 702 thousand (Euro -2,516 thousand in the first half of 2008) was recorded in the first half of the year, which in light of the global economic-financial situation, made the work carried out in the first part of the year of even greater significance.

The net result for the trading activities including dividends in the first half of 2009 amounted to Euro 4,256 thousand, an increase of Euro 2,550 thousand on the same period of the previous year.

The net revenues from commissions, decreasing by a further Euro 286 thousand on the first half of 2008 amounted to Euro 314 thousand.

The net interest at in the first half year amounted to Euro 448 thousand, an increase on the first half of the previous year of Euro 252 thousand.

The administrative expenses amounted to Euro 4,215 thousand in the first half of 2009, a slight reduction of Euro 113 thousand on the first half of 2008.

Personnel expenses amounted to Euro 2,208 thousand, a small drop of Euro 23 thousand - this decrease is due to the employee departures in the first half year.

The adjustments to intangible and tangible fixed asset values in the first half of the year on the end of 2008 was a reduction of Euro 60 thousand; the decrease is due entirely to the completion of the amortisation and depreciation cycle.

The key results of the main companies of the Group operating in the financial services sector are summarised below:

| | REVENUES | CHANGE % | COSTS | CONTRIB. TO RESULT |
|------------------------------|----------|----------|--------|-----------------------|
| (in Euro thousands) | | | | |
| FINALIA S.p.A. | 13,603 | 5.61 | 11,859 | 870 |
| FINSAI INTERNATIONAL S.A. | 2,053 | (50.34) | 552 | 1,501 |
| FONDIARIA NEDERLAND B.V. | 2,574 | (33.75) | 814 | 1,778 |
| SAI HOLDING ITALIA S.p.A. | 1,509 | (96.65) | 289 | 1,184 |
| SAIFIN-SAIFINANZIARIA S.p.A. | 3,147 | (59.98) | 1,946 | 1,059 |
| SAILUX S.A. | 2,345 | (52.21) | 1,604 | 741 |
| SAINTERNATIONAL S.A. | 6,543 | (73.39) | 7,373 | (879) |

- FINALIA S.p.A.

The first half year 2009 reports a net profit of Euro 870 thousand (Euro 1,053 thousand in the first half of 2008) after income taxes of Euro 874 thousand (Euro 867 thousand in the first half of 2008).

A study undertaken in the first six months of the year on the consumer credit sector in Italy indicates a strong fall off in loans provided compared to the same period of 2008. In fact, growth of 2.6% (value of operations compared to the previous year) was recorded in the first 5 months of 2008 compared to a contraction of 12.1% in the same period of 2009 (source Consumer credit Study ASSOFIN – recorded at May 2009). In the same period, the number of transactions recorded a slowdown from growth of 8.3% in 2008 to 4.1% in 2009.

Financing provided by the company in the first half of the year grew by 6.71% over the same period of 2008. The number of operations also increased by 25.93%, thanks to the greater activity related to individuals and SME loans on insurance premiums, through the virtual revolving credit card MY CASH CARD. In the first half of 2009, financing was provided of Euro 110,701 thousand compared to Euro 103,739 thousand in the same period of 2008. In relation to the loan book, it is noted that the stock in the first six months of 2009 increased from Euro 202,495 thousand at the end of 2008 to Euro 214,689 thousand. In the same period, bad debt provisions increased from Euro 7,102 thousand at the end of 2008 to Euro 8,831 thousand in June 2009.

The brokerage margin amounted to Euro 9,933 thousand (compared to Euro 8,559 thousand in the first half of 2008), while the interest margin amounted to Euro 10,338 thousand (Euro 8,919 thousand in the first half of 2008).

During the period, the activities continued to expand and improve the functioning and offer of the virtual revolving card MY CASH CARD at the various agencies of the Companies of the Fondiaria-SAI Group. The agency agreements in place at June 30, 2009 amounted to 2,664, an increase on 2,562 at December 31, 2008.

- FINSAI INTERNATIONAL S.A.

The profit for the year amounted to Euro 1,501 thousand, resulting from revenues of Euro 2,053 thousand, essentially comprising interest on loans and of costs of Euro 552 thousand, principally administration and general expenses.

The assets of the company at 30/06/2009 amount to Euro 203,231 thousand and comprise the holding in Mediobanca (0.35%), amounting to Euro 23,075 thousand, subject to the agreement relating to the holding in the share capital, foreign investment funds of Euro 23,609 thousand, loans granted to the Group companies Sailux and Immobiliare Lombarda of Euro 147,013 thousand and liquidity and other assets of Euro 9,534 thousand. The liabilities of the company were principally comprised of net equity of Euro 202,238 thousand (of which valuation reserves for Euro 16.6 million) and other liabilities of Euro 993 thousand.

- FONDIARIA NEDERLAND B.V.

The net profit for the year was Euro 1,778 thousand.

Revenues amount to Euro 2,574 thousand and consist of dividends on 5,966,866 Milano Assicurazioni shares for Euro 1,254 thousand, interest income on loans provided of Euro 1,298 thousand and other income of Euro 22 thousand. The company received tax reimbursements for taxes paid in previous years of Euro 136 thousand.

The costs amounted to Euro 932 thousand and principally refer to general expenses of Euro 90 thousand, interest expenses of Euro 724 thousand and current taxes estimated at Euro 118 thousand.

The assets of the company at 30/06/2009 amounted to Euro 149,343 thousand and comprised of investments in Group companies for Euro 64,278 thousand, loans granted to the parent company Fondiaria-SAI of Euro 82,197 thousand and cash and cash equivalents and other assets of Euro 2,868 thousand.

The liabilities comprised net equity of the company of Euro 99,033 thousand (of which negative valuation reserve of Euro 22,213 thousand), loans received from the subsidiary The Lawrence Re Ireland for Euro 49,428 thousand and other liabilities of Euro 882 thousand.

- SAILUX S.A.

The profit for the period amounted to Euro 741 thousand, resulting from revenues of Euro 2,345 thousand, essentially comprising interest on loans to the parent company and of costs of Euro 1,604 thousand, principally comprising administration and general expenses and interest on loans received.

The assets of the company at 30/06/2009 amounted to Euro 156,382 thousand and comprised the investment in Finsai International (36.15%), at book value of Euro 36,985 thousand, investments in non-listed companies of Euro 103 thousand, loans granted to the parent company Saifin of Euro 116,613 thousand and cash and cash equivalents and other assets of Euro 2,681 thousand. The liabilities of the company at the same date amounted to net equity of Euro 44,750 thousand, loans to group companies of Euro 111,461 thousand and other liabilities of Euro 171 thousand.

- SAINTERNATIONAL S.A.

The net loss for the period was Euro 878 thousand. Revenues amounted to Euro 6,543 thousand, comprising income deriving from loans granted to the parent company Fondiaria-SAI of Euro 5,762 thousand, interest on the loans granted to the group company Immobiliare Lombarda of Euro 79 thousand, dividends of Euro 1,045 thousand, net income on assets valued at fair value of Euro 703 thousand and other financial and general income of Euro 360 thousand. Costs amounted to Euro 7,421 thousand, of which administrative and general expenses of Euro 661 thousand, interest expense and charges on bond loans of Euro 5,854 thousand, reduction in value of AFS assets of Euro 843 thousand, other financial charges of Euro 15 thousand and income taxes of Euro 48 thousand.

The assets of the company at 30/06/2009 amounted to Euro 336,568 thousand and comprised loans to the parent company Fondiaria-SAI and to the group company Immobiliare Lombarda and related interest of Euro 192,225 thousand, of investments in non-listed companies of Euro 101,277 thousand, of listed equity securities of Euro 11,850 thousand, of other investments held for trading of Euro 22,234 thousand and cash and cash equivalents and other assets of Euro 8,982 thousand. The liabilities comprise net equity of the company of Euro 146,142 thousand (of which negative valuation reserve of Euro 3,269 thousand), payables to bondholders of Euro 187,645 thousand, tax liabilities of Euro 2,293 thousand and other liabilities of Euro 488 thousand.

The listed equity securities comprise 10,302,000 RCS Mediagroup shares, of which 10,100,100 shares restricted to the shareholder agreement and 1,110,000 shares of the group company Milano Assicurazioni.

The key results of the Group companies operating in the agricultural sector are summarised below:

| | REVENUES | CHANGE % | COSTS | RESULT FOR THE PERIOD |
|---------------------|-----------------|-----------------|--------------|----------------------------------|
| (in Euro thousands) | | | | |
| SAIAGRICOLA S.p.A. | 4,029 | (15.71) | 6,102 | (2,089) |

- SAIAGRICOLA S.p.A.

In the first half of 2009, the company recorded a loss of Euro 2,089 thousand under the IAS/IFRS principles (loss of Euro 1,651 thousand in the first half of 2008) after amortisation and depreciation of Euro 1,077.5 thousand (Euro 1,066 thousand in the first half of 2008) and interest expense on loans of Euro 50.7 thousand (Euro 484 thousand in the first half of 2008).

In the first half of 2009, revenues from sales and services amounted to Euro 3,767.5 thousand (Euro 4,514.6 thousand in the first half of 2008), a decrease of approx. 17%. A drop in wine sales of approx. 23% was recorded (295,139 bottles sold compared to 384,425 in the same period of 2008), with the average price of the bottle remaining stable at approx. Euro 6, while rice sales decreased by a lesser amount of approx. 7% on the same period of 2008.

The principal investments undertaken (or in course) in the first half of 2009 are multiple and prevalently aimed at modernisation and capital appreciation of the Enterprise; in particular investments were made of Euro 950 thousand to improve land and industrial buildings (Euro 408 thousand in the first half of 2008, prevalently for the acquisition of new plant and equipment to modernise the machinery and obtain greater quality of the finished product; a combine harvester was purchased for Veneria).

The seasonal performance was good as cereal, grapes and rice achieved good harvests both in terms of quantity and quality.

Acquisition of Atahotels S.p.A.

On 29/05/2009 the purchase was completed by Fondiaria-SAI and Milano Assicurazioni of 100% of Atahotels S.p.A., previously held by Sinergia Holding di Partecipazioni S.p.A. and Raggruppamento Finanziario S.p.A.

In particular, Fondiaria-SAI purchased 51% of the share capital of Atahotels at a price of Euro 12,750,000 and Milano Assicurazioni purchased the residual 49% at a price of Euro 12,250,00 and therefore for a finalised total price of Euro 25,000,000, without provision for any price adjustment mechanisms.

Reference should be made to the 2008 annual accounts for further information in relation to Atahotels, created in 1967 and the 6th largest Italian hotel chain by room numbers (approx. 6,000 including the residences and new facilities opened in 2008). The total assets of the Company at the end of 2008 amounted to Euro 133.7 million with a Net Equity at the same date of Euro 25.6 million. The Company in 2008 recorded revenues of Euro 121 million and a loss of Euro 5.6 million.

The purchase of Atahotels represents for the Fondiaria-SAI Group an opportunity for vertical integration within the tourist sector through the aggregation in the insurance companies, already owner of a large part of the facilities and of the management activities currently outsourced.

This operation is against the backdrop of the hotel sector undergoing a difficult phase due to the protracted effects of the world financial crisis. Atahotels, for its part, which is impacted by a crisis similar to its competitors, at the same time is confronting a challenging development programme of its activities, both in relation to the investments already made, and the programme for new openings which are largely on properties owned by the Fondiaria SAI Group.

This latter, in fact, in recent years, also following the merger between La Fondiaria Assicurazioni and SAI, and with the acquisitions and the current projects to be completed, significantly increased the component of tourist property investments with a property portfolio which in the coming years will amount to over Euro 500 million, part of which is managed by Atahotels and part still managed by various other operators until the expiry of the relative rental contracts. The significant and prestigious level of assets owned has therefore led the Company to undertake a direct presence in the management of these assets, with a view to obtaining better returns under a single management, thereby optimising time and procedures in obtaining rentals and to internalise the prospect of the creation of value from this activity. It is recalled that Atahotels was part of the former SAI Group in the '80s.

It is clearly evident that the current economic environment, while on the one hand requiring from the Fondiaria-SAI Group a financial and economic commitment (considering the capital needs and the losses forecast in the business plan of Atahotels) to maintain, sustain, expand and enhance its investments in the hotel sector, on the other represents an opportunity to acquire at very good levels one of the best national hotel chains, providing it with the appropriate capital and managerial levels to compete with greater efficiency and acquiring new market share and thereby laying the foundations to increase the value in the investment in the long-term period which will be achieved also through sector mergers and the eventual listing of the company.

The acquisition of Atahotels is part of a long-term investment policy adopted by the Group in the tourist-hotel sector, one of the driving sectors of the national economy, within the strategy of a captive management on which to concentrate also the numerous properties owned by the Group currently managed by third parties (for example Hotel Portofino Vetta, Hotel Lorenzo il Magnifico and Residence Guala). This development – as mentioned – is also appropriate in the current economic environment which renders the strengthening of the capital and managerial capacities opportune and makes it possible to negotiate a good price for the acquisition. An almost equal joint equity investment by Fondiaria-SAI and Milano Assicurazioni for reasons of common interest was undertaken to maintain their respective real estate investments in the tourist segment, including through their holdings in Immobiliare Lombarda.

The above operation is an operation with related parties of Fondiaria-SAI and Milano Assicurazioni, in relation to the positions of some directors of the two companies in Sinergia and the fact that this latter, a subsidiary of Starlife S.A., participates in the shareholder agreement concerning the shares of Premafin Finanziaria Holding di Partecipazioni S.p.A., the parent company of Fondiaria-SAI as per article 93 of Legislative Decree 58/98 and Raggruppamento Finanziario is a subsidiary of Starlife S.A.

Considering the type of investment and the nature of operations with related parties, the Board of Directors of Fondiaria-SAI and Milano Assicurazioni, for the determination of the purchase price of 100% of the share capital of Atahotels, appointed the independent expert KPMG Advisory S.p.A., which issued an opinion on the range of values of Atahotels. This opinion was duly sworn as consisting of transactions with related parties.

The operation was unanimously approved by the Board of Directors meetings of Fondiaria-SAI and Milano Assicurazioni – with the only abstention being the Directors with interests pursuant to article 2391 of the civil code – both meetings were held on 17/12/2008, with prior examination by the respective Internal Control Committees.

Società Agricola Tenuta Cesarina S.r.l.

Recalling that stated in the 2008 annual accounts, following further examination and evaluation and also in consideration of information exchanged with the Supervision Authority, an agreement was reached with Sinergia Holding di Partecipazioni S.p.A. for the mutual resolution of the preliminary purchase contract by Milano Assicurazioni of 100% of the share capital of Società Agricola Tenuta Cesarina S.r.l..

Asset and financial management

INVESTMENTS AND LIQUIDITY

At 30/06/2009, the volume of investments amounted to Euro 35,598 million, an increase of 6.5% on 31/12/2008.

The increase in investments is due to the partial recovery of the stock market and the strong performance of premiums in the Life sector in the bancassurance area.

The investments, tangible fixed assets and liquidity at June 30, 2009 compared to the previous year are shown below.

| (in Euro thousands) | 30/06/2009 | Percent. % | 31/12/2008 | Percent. % | Cge. % |
|--|-------------------|---------------|-------------------|---------------|-------------|
| INVESTMENTS | | | | | |
| Investment property | 2,612,126 | 6.94 | 2,459,751 | 6.94 | 6.19 |
| Investments in subsidiaries, associates and joint ventures | 330,867 | 0.88 | 292,879 | 0.83 | 12.97 |
| Loans and receivables | 2,783,029 | 7.39 | 1,776,024 | 5.01 | 56.70 |
| Investments held to maturity | 907,374 | 2.41 | 845,789 | 2.39 | 7.28 |
| Financial assets available-for-sale | 19,675,414 | 52.26 | 19,982,715 | 56.38 | (1.54) |
| Financial assets at fair value through profit or loss | 9,289,076 | 24.67 | 8,080,675 | 22.80 | 14.95 |
| Total investments | 35,597,886 | 94.55 | 33,437,833 | 94.35 | 6.46 |
| Tangible fixed assets: buildings and other fixed assets | 1,261,433 | 3.35 | 1,244,217 | 3.51 | 1.38 |
| Total non-current assets | 36,859,319 | 97.90 | 34,682,050 | 97.86 | 6.28 |
| Cash and cash equivalents | 791,930 | 2.10 | 760,072 | 2.14 | 4.19 |
| Total non-current assets and cash equivalents | 37,651,249 | 100.00 | 35,442,122 | 100.00 | 6.23 |

The financial assets available-for-sale and the financial assets valued at fair value through profit or loss are as follows:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Cge. % |
|--|-------------------|-------------------|--------|
| Financial assets available-for-sale | 19,675,414 | 19,982,715 | (1.54) |
| Equity securities | 1,474,372 | 1,541,909 | (4.38) |
| Fund units | 895,497 | 859,797 | 4.15 |
| Debt securities | 17,302,694 | 17,578,144 | (1.57) |
| Other financial investments | 2,851 | 2,865 | (0.49) |
| Financial assets at fair value through profit or loss | 9,289,076 | 8,080,675 | 14.95 |
| Equity securities | 88,835 | 74,888 | 18.62 |
| Fund units | 956,735 | 954,633 | 0.22 |
| Debt securities | 7,269,980 | 6,600,852 | 10.14 |
| Other financial investments | 973,526 | 450,302 | 116.19 |

The table below shows the results of the financial and real estate activities in the first half of 2009 compared with the same period in the previous year:

| (in Euro thousands) | 30/06/2009 | 30/06/2008 | Changes |
|--|------------------|----------------|----------------|
| Net income from financial instruments recorded at fair value through profit or loss | 417,627 | (403,385) | 821,012 |
| Net income from investments in subsidiaries, associates and joint ventures | (3,057) | 26,611 | (29,668) |
| Income from other financial instruments and property investments of which: | | | |
| Interest income | 425,686 | 436,481 | (10,795) |
| Other income | 96,584 | 182,340 | (85,756) |
| Profits realised | 78,584 | 56,859 | 21,725 |
| Valuation gains | 106 | 446 | (340) |
| Total income | 1,015,530 | 299,352 | 716,178 |
| Charges from other financial instruments and property investments of which: | | | |
| Interest expense | 59,213 | 72,863 | (13,650) |
| Other charges | 30,701 | 32,893 | (2,192) |
| Losses realised | 78,437 | 57,638 | 20,799 |
| Valuation losses | 90,238 | 22,013 | 68,225 |
| Total interest expense and charges | 258,589 | 185,407 | 73,182 |
| TOTAL NET INCOME | 756,941 | 113,945 | 642,996 |

The net income from financial instruments recorded at fair value through the profit and loss includes net income relating to contracts in the Life sector whose risk is borne by the policyholders for Euro 386,113 thousand (net charges of Euro 357,344 thousand in the first half of 2008).

This increase is offset by the corresponding change in the technical reserves of the Life sector relating to this class of activity. The most significant amounts were in the companies operating in the Bancassurance sector.

FINANCIAL MANAGEMENT

The first half of 2009 will be remembered as the worst period of the crisis at a macroeconomic level which affected the entire world economy in the last 18 months: the global economic depression, which began in the United States in late 2007, has recently appeared to slow down, even if the timeframe and nature of the recovery still appear uncertain. After two quarters of particularly negative data for the entire world economy, the second quarter of 2009 recorded, although tentative, indications of a bottoming out, in some geographic areas more than others - principally in those in which fiscal and monetary policies were put in place by the Governments.

Although it is unlikely that the contraction forecasts for 2009 will not be modified, the outlook is improving for 2010, particularly in the Emerging Countries.

In the Industrialised Countries, the positive signs unfortunately must also take into account the inevitable increase in the unemployment rate, estimated to grow further in 2009 and also in 2010. Furthermore, despite the actions taken by the individual Governments to stem the default of the issuing banks and the containment of the toxic securities issued, the banking system overall is still fragile.

Central Banks, maintaining low base interest rates and indirectly market lending rates at the currently exceptionally low level (a Fed Funds rate of between 0% and 0.25% and a BCE rate at 1%), have greatly altered the interest rate curve which in the long term may cause an inflationary shift due to an excess of money. This issue could be exacerbated by the continued government bond issues to finance deficits caused both by the increase in public expenditure and by the lower tax take.

The bond market overall performed well until the middle of March when more positive signs began to emerge and in particular the corporate securities continued their strong performance, particularly following the first indications of the partial success of the actions taken to re-establish the credibility and functioning of the financial system. There was a process of general normalisation of listed shares which reached highly stressed levels shortly after the default of Lehman Brothers.

In relation to the equity sector, the first half year was characterised by a first part of high market turbulence caused by negative news from the real economy of the United States and by an exacerbation of the European situation. In the United States, a decline was experienced by the financial and cyclical securities, while Europe was affected by the weakness of the German economy, with the drop in the confidence index, the slowdown of exports and a severe weakening in the employment market. However volatility decreased in March, when the principal stock markets reacted positively to the US Government statements and to the presentation of a new plan to offload the toxic assets from the banks. These signs resulted in an improvement in a market with very compressed values and for months dominated by pessimism. In particular, the recovery of the financial securities drove the indices, but an excellent performance was also reported by the technological sector, illustrated by the recovery of the NASDAQ index.

The second quarter saw the improvement at the end of the first quarter continue, with a strong recovery in the principal stock markets and in the corporate market.

At a strictly operative level, in the fixed income area, the Group benefited both from the continued upswing in the European bonds curve, thanks to the fact that it was negatively positioned, in particular in the Non-Life sector and on short-term maturities, and the strong performance in Italy and in all of the “peripheral” countries in general (Portugal and Greece particularly) compared to the “core” countries (France and Germany in particular).

During the first half year, as the spread was very interesting from an overall analysis and a geographic diversification by country risk, investments shifted to countries with the highest ratings (for example France, Belgium and Germany), with an easing off in Italian securities and a large part of the Greek bonds which had performed well in the previous months.

The duration of the Non-Life Portfolio was not amended greatly while the variable government bond part was slowly increased, in consideration of the fact that interest rates will likely rise in the future and this asset could perform well, as has partly already been seen.

In the Life Portfolio, in order to service the requirements of the Separated Management and therefore the partial necessity to increase the duration of assets to benefit the profitability levels on long-term maturities in the curve, the Corporate portion was further increased, with “Senior” issues. This is undertaken in order to balance the mix between corporate risk and interest rate risk.

On the equity front, at an operating level, the activities developed by the Group were characterised by trading activities which make up approx. 35% of the working capital sector. At sector level, a leaning towards the more defensive sectors is evident. In relation to the derivative components, within a strategic management policy of investments, the low levels of volatility allowed operations on the market through the sale of call options on securities in portfolio, thus supporting ordinary yields of separated management for only 5.5% of those in circulation.

In relation to the strategic portfolio, the partial release from favourable hedges in previous years and the simultaneous reduction of underlying securities continued; these operations began in the second half of 2008.

Currently, the overall view on equity remains prudent in the short-term period but with a view to the progressive increase in the medium-long term period.

Fondiaria-SAI

With particular reference to the Parent Company, excluding the assets covering contracts where the investment risk is borne by the policyholders as well as the non-listed shares, the bond sector at the end of the first half of 2009 represented 71% of the total portfolio, with a total duration of approx. 5.15 years.

The Non-Life Division of Fondiaria-SAI is composed of 43.7% of fixed income bonds, with the remaining 51.5% at variable rate. There is also a residual component of approx. 4.8% in liquid investments.

The total duration of the Non-Life portfolio is 1.87 years and the return is 2.65%.

The Life Division has an asset allocation based primarily on fixed rates (87.9%) while the variable portion includes the BOT securities (11.5%).

The total duration of the Life portfolio is 6.06 years and the return is 5.04%.

The corporate securities are, largely, belonging to the investment grade category.

Milano Assicurazioni

In relation to Milano Assicurazioni, excluding the assets covering contracts where the investment risk is borne by the policyholders as well as the non-listed shares, the bond sector at the end of the first half of 2009 represented 80.1% of the total portfolio, with a total duration of approx. 3.78 years.

The Non-Life Division is composed of 60.8% of fixed income bonds, with the remaining 35.2% at a variable rate. There is also a residual component of approx. 4.0% in liquid investments.

The total duration of the Non-Life portfolio is 1.87 years and the return is 2.87%.

The Life Division has an asset allocation based primarily on fixed rates (83.8%) while the variable portion includes the BOT securities (14.9%).

The total duration of the Life portfolio is 5.33 years and the return is 5.01%. The corporate securities of Milano Assicurazioni are also largely belonging to the “investment grade” category.

Financial instruments issued by Lehman Brothers

On 15/09/2008 Lehman Brothers Holdings Inc. applied to the New York Bankruptcy Court for the “Chapter 11” procedure, which permits the debtor to continue the ordinary exercise of their activities and to restructure the business, where permitted, with the prospect of implementing a company restructuring, through the approval of a plan by the creditors and guaranteed by the US judicial authorities.

The procedure also allows for the automatic freezing of assets as protection from creditor judicial actions in the reorganisation attempt.

The bond securities issued by Lehman Brothers present at June 30 in the Group companies portfolios had a carrying value of Euro 71.5 million, 20% of the reimbursable value (in the case of non-subordinated issue) and therefore based on prudent indications and information currently available in relation to the presumable recovery rate. The relative value adjustments were fully recorded in the accounts in the previous year.

FONDIARIA-SAI GROUP DEBT

In order for a correct representation of the accounts under examination, information is provided below of the financial payables, which is the total amount of the financial liabilities for which it is not possible to establish a correlated specific asset account.

The situation is summarised in the table below:

| (in Euro millions) | 30/06/2009 | 31/12/2008 | Changes |
|--------------------------|----------------|----------------|-------------|
| Subordinated loans | 1,048.8 | 1,050.5 | (1.7) |
| Mandatory Sainernational | 187.3 | 181.6 | 5.7 |
| Banks and other lenders | 666.7 | 644.2 | 22.5 |
| Total debt | 1,902.8 | 1,876.3 | 26.5 |

The account **Subordinated loans** include the following loans of the Parent Company with Mediobanca, with ISVAP authorisation:

- A subordinated loan of Euro 400 million, agreed and issued on 23/07/2003. Following some contractual modifications in December 2005, the interest rate is Euribor at 6 months +180 basis points and repayable in five equal annual instalments from the 16th anniversary of the loan. This loan was obtained in order to increase the constituting elements of the solvency margin;
- A subordinated loan of Euro 100 million agreed on 20/12/2005 (received on 31/12/2005), with the same subordination characteristics of the previous loan. The interest rate is Euribor at 6 months +180 basis points and is repayable in five equal annual instalments from the 16th anniversary of the loan.
- A subordinated loan of Euro 300 million agreed on 22/06/2006 (received on 14/07/2006), 50% subscribed by Fondiaria-SAI and the other 50% by Milano Assicurazioni. This loan provides for interest at Euribor at 6 months +180 basis points and is repayable in five equal annual instalments from the 16th anniversary of the loan. In particular, this latter contract contributes to a further improvement in the solvency margin available to the Group for the part provided by the subsidiary Milano Assicurazioni. On 14/07/2008, Milano Assicurazioni made a partial advance repayment of this loan for Euro 100 million;
- A hybrid subordinated loan with a perpetual duration of Euro 250 million agreed and paid on 14/07/2008 by Fondiaria-SAI. The interest rate is Euribor at 6 months +350 basis points for the first 10 years and thereafter 450 basis points. The repayment should be made in one repayment after 10 years. This loan was agreed to increase the constituting elements of the solvency margin;
- A hybrid subordinated loan with a perpetual duration of Euro 100 million agreed and received on 14/07/2008 by Milano Assicurazioni. The interest rate is Euribor at 6 months +350 basis points for the first 10 years and thereafter 450 basis points. The repayment should be made in one repayment after 10 years. This loan was agreed to increase the constituting elements of the solvency margin;

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- Subordinated loans of BPM Vita received during 2003 for a nominal value of Euro 8 million divided 50% with Banco Popolare di Milano and 50% with Banca di Legnano. It is recalled that these loans have an indefinite expiry and interest rates of Euribor at 12 months increased by 2.50%.

With reference to the subordinated loan of Euro 400 million, it is recalled that the entire position is fully hedged by interest rate swap operations in order to neutralise the risk related to the above-mentioned loan, stabilising on an annual basis the interest streams to be paid to the counterparty. On 4/12/2008, two IRS contracts were signed, one by Fondiaria-SAI to hedge the subordinated loan of Euro 150 million and the other by Milano Assicurazioni to hedge the subordinated loan of Euro 50 million. Finally, on 30/04/2009 an IRS agreement was signed hedging the subordinated loan of a notional Euro 100 million. For further information, reference should be made to the section relating to derivative financial operations.

On September 27, 2004, the Luxembourg subsidiary Sainternational S.A. issued a Convertible and Repayable Bond exclusively with Intesa SanPaolo ordinary shares owned by Fondiaria-SAI, with maturity on September 29, 2010 and listed on the Luxembourg Stock Exchange.

The bonds, of a total nominal value of Euro 180.4 million, will be repayable on maturity through the delivery of 44,000,000 Intesa SanPaolo ordinary shares, formally owned by Fondiaria-SAI, at the exchange price of Euro 4.10 per share, and therefore with a premium of 35.13% compared to the prices of the Intesa SanPaolo ordinary shares at the moment of the definition of the offer price. The annual coupon of the bonds and the return on maturity are 6.10%.

With reference to **Bank and other lenders**, amounting to Euro 666.7 million, the most significant amounts are reported below:

- Euro 251.1 million refers to a senior loan signed on 11/01/2008 between Fondiaria-SAI S.p.A. and Mediobanca for a nominal amount of Euro 250 million in order to temporarily support the financial needs of the Parent Company, and following amendments in the final quarter of 2008, interest is paid half-yearly rather than quarterly while the maturity remains at 25/1/2010, the date on which the nominal amount will be paid in one lump sum. The loan was received in one single amount on 25/01/2008;
- Euro 179.4 million refers entirely to the consolidated debt of the subsidiary Immobiliare Lombarda. This relates to the re-negotiation of the debt of Immobiliare Lombarda in 2005. The interest rate on the loan is Euribor plus a spread of 0.9%. The maturity dates are variable up to December 31, 2012. In the first quarter of 2007, Immobiliare Lombarda agreed a loan of approx. Euro 38 million with Efibanca, in order to acquire the investment in IGLI. The interest rate on the latter loan is at Euribor plus a spread of 0.83% and the expiry date is 31/12/2012;
- Euro 187.9 million refers to the loan of the Tikal R.E. Closed Real Estate Fund with Intesa SanPaolo, with this latter as Bank Organiser, Agent and Lender. The purpose of the loan is to improve the return on own capital and therefore the capital invested by the participants. The amount involves a total credit line of Euro 280 million, utilised for investments in new projects and to undertake improvements in view of future sales and incremental returns. The cost of the loan is Euribor plus a variable credit spread between 70 and 110 b.p. The Fund, since the previous year, has utilised two credit instruments, in application of a hedging policy on the potential risk of an increase in interest rates on the loan granted;

-
- Euro 15.8 million refers to the bonds issued in 2008 by BancaSai in part at a variable interest rate and in part at a fixed interest rate, with variable expiry from 2011 to 2014 and placed externally to the Group;
 - Euro 32.4 million refers to short-term loans for fixed use (so-called “hot money”) obtained by the subsidiary Finitalia from various credit entities;
 - The residual amounts relates to other insignificant payable positions.

Restructuring of the senior loan from Mediobanca

On 24/06/2009, Fondiaria-SAI and Mediobanca signed agreements in relation to the restructuring of a senior loan for Euro 250 million which the Company received from Mediobanca in January 2008.

This restructuring provides for, in relation to the original bullet maturity of 11/01/2010, an advanced repayment of the loan as follows:

- Euro 100 million already paid on 27/07/2009 (value at same date);
- Euro 75 million on 30/12/2009 (value at same date);
- Euro 75 million on 25/01/2010 (value at same date).

Against this advanced repayment, Mediobanca has refinanced Euro 75 million, with issue date of 25/01/2010 and repayment at 31/01/2011, applying a spread of 200 bps.

TREASURY SHARES, SHARES OF THE HOLDING COMPANIES AND ITS SUBSIDIARIES

At 30/06/2009 and at 31/12/2008, the Parent Company holds treasury shares and shares in the parent company Premafin Finanziaria as shown in the table below:

| (in Euro thousands) | 30/06/2009 | | 31/12/2008 | |
|---|-------------------|----------------|-------------------|----------------|
| | Number | Book value | Number | Book value |
| Treasury shares held by: | | | | |
| Fondiarria-SAI | 3,200,000 | 64,366 | 3,200,000 | 64,366 |
| Milano Assicurazioni | 9,982,557 | 229,261 | 8,382,557 | 209,900 |
| Sai Holding | 1,200,000 | 28,306 | 1,200,000 | 28,306 |
| Total | 14,382,557 | 321,933 | 12,782,557 | 302,572 |
| Saving treasury shares held by: | | | | |
| Fondiarria-SAI | - | - | - | - |
| Total | - | - | - | - |
| Shares of the holding company held by: | | | | |
| Fondiarria-SAI | 18,340,027 | 16,794 | 18,340,027 | 22,741 |
| Milano Assicurazioni | 9,157,710 | 8,386 | 9,157,710 | 11,356 |
| Saifin – Saifinanziaria | 66,588 | 61 | 66,588 | 89 |
| Total | 27,564,325 | 25,241 | 27,564,325 | 34,186 |

SHARE PERFORMANCE

The share capital of the Parent Company Fondiarria-SAI S.p.A. at the period end amounted to Euro 167,043,712, divided into an equivalent number of shares of a nominal value of Euro 1 (124,482,490 ordinary shares and 42,561,222 saving shares).

At the period end, the stock market share prices were as follows:

| (in Euro) | 30/06/2009 | 30/12/2008 | Change % |
|---------------------|------------|------------|----------|
| Fondiarria SAI ord. | 11.3831 | 12.931 | (11.77) |
| Fondiarria SAI sav. | 7.2125 | 8.118 | (11.15) |

The corresponding stock market capitalisation at the period end was Euro 1,724 million (Euro 1,955 million at 31/12/2008).

Other information

GROUP EMPLOYEES

At 30/06/2009, the number of employees of the Group was 7,891 (7,932 at 31/12/2008), broken down as follows:

| Number | 30/06/2009 | 31/12/2008 | Changes |
|------------------------------------|--------------|--------------|-------------|
| Italian companies | 5,693 | 5,696 | (3) |
| Foreign entities | 2,198 | 2,236 | (38) |
| Gruppo Fondiaria SAI S.p.A. | 7,891 | 7,932 | (41) |

In addition, the employees of the foreign companies include 544 brokers.

Total Group personnel costs amounted to Euro 205 million (Euro 208 million in the first half of 2008).

HUMAN RESOURCES

In the first half of 2009, the Industrial Relations were carried according to the consolidated principles of information, dialogue and discussion on matters under contractual negotiation.

In particular, we highlight the continuation, after a critical phase between the end of 2008 and the beginning of 2009, of the trade union negotiations in relation to some particularly important issues, among which we report the merger by incorporation of Starvox S.p.A. into the Fondiaria-SAI Servizi S.c.r.l. Group (previously Uniservizi), the transfer into this consortium company of company structures which provide intragroup services, and the operating procedures (Quick Settlement) of some type of claims in light of the provisions introduced by article 1 bis of the current CCNL regulations.

The negotiation with the Trade Union Organisations, undertaken in various phases, was concluded with the signing of an Agreement on 31/03/2009 by four trade unions, which set out the governance of all the issues listed above. The validity and the applicability of the agreement of 30/07/2002 was also restated (except in the case of the presentation of a future industrial plan) in relation to the industrial relations system, of territorial structures characterised by the aggregation of production centres and smaller offices, as well as the economic and regulatory protection in favour of workers.

With the same agreements the Parties also agreed to examine the problems related to CCNL of the activities carried out by the company Pronto Assistenza Servizi, with the commitment to reach an agreement. On 25/06/2009 the signing of the agreements with four trade unions fixed the date of 1/04/2010 as the deadline for the movement of these companies from CCNL in the commercial sector to the insurance sector and set out the relative economic and regulatory treatment of workers.

Considering also the commitment undertaken by the Company in relation to social responsibility as a strategic value shared by all the Group, in the first half of the year the social initiatives were confirmed involving employees and their families, such as contributions for summer vacations for children as well as study grants for children of employees.

Employee disputes before the courts were maintained in line with those of previous years, thus remaining limited. At 30/06/2009, there were 34 cases pending for Fondiaria-SAI S.p.A. and 22 for Milano Assicurazioni S.p.A.

TRAINING AT FONDIARIA-SAI IN THE FIRST HALF YEAR 2009

During the first half of 2009 further activities were developed both for managerial and technical training, with the objective to engender (for all of the professional figures) a corporate culture throughout the Group.

In particular an initiative aimed at updating and developing the knowledge of all of the operators of the claims networks (liquidators and administrative staff) was developed.

The most important Managerial Training activities were:

- the continuation of growth paths for Managers (Valuation Model, Development of Expertise, Leadership, Planning/Coordination, Delegation and Growth awareness);
- the updating of this Course with Problem Solving initiatives (involving all of the Mid-level Managers);
- the implementation of two new initiatives, the first focused on Managers and the second on Professionals, focused on Communication Skills (Client Communications).

From the point of view of Technical Insurance, Professional and IT Training;

- All of the claims networks were involved in the IES 2009 project in which the use of IT applications was explored with the latest updates and in relation to this, the impact on the roles and processes. For this project 34 claim settlement students were trained both from a technical point of view and from the point of view of their ability to transfer their skills to colleagues;
- A new initiative was drawn up to support the Services Offices which within the claims networks make contact with the clients during the carrying out of the settlements, with particular focus on telephone communication skills;
- An advanced training course in Excel for users within all the corporate departments was initiated;
- Training based on the New Catalogue of internal Courses distributed at the beginning of the year was undertaken; In addition to the initiatives already consolidated in the previous year, some new courses commenced, for example those for the advanced training of specialists (among which the Advanced Statistics Laboratory, the CAR course, the Transport courses and the Analysis of Financial Statements).

Presence and training days

The typical indices to measure training performance are represented by the concepts of presence and training days.

We recall that presence refers to the number of participants for each individual initiative, while the training day refers to the presence for the duration of the initiative.

In relation to the first half of the year, the presence and training days respectively amounted to 2,250 and 4,500.

CULTURAL AND SOCIAL INITIATIVES

External and internal communications and the Press Office

In the first half of the year the review of the formal codes of the “communication to clients” was brought to completion, begun in 2008 and inspired by the general principles of greater clarity and transparency, producing important concrete results within all of the products of the new Retail Più and Difesa Più ranges, distributed respectively by Fondiaria-SAI and by Milano Assicurazioni.

The review involved both the verbal language in the contractual documents and in general, the creative concepts of the marketing communication instruments used in order to guarantee the Agency real support in the marketing initiatives on the local markets. For each new product a set of promo-publicity instruments were prepared capable of responding to the majority of communication requirements, ranging from the traditional media to the more innovative realm of the web and focusing the message on the user friendliness for the client.

In addition, the Agencies were guaranteed the necessary ongoing assistance in the realisation of local communication tools, based on the specific local marketing needs and pursuant to ISVAP Circular 533/d which requires the prior authorisation by the insurance Company of all communications of a commercial nature by brokers.

The utilisation of the ComunicAgenzia portal continues to grow among users of the networks, accompanied by a high level of satisfaction both for the quality of the product supplied and for the response times.

The commitment of Management in the creation of a stronger communication culture was furthered with the half yearly publication of the VISION magazine, which has gained greater popularity outside of the Group.

In order to assist the integration of the different corporate cultures present within the Group, the planning and study of a variety of Internal Communications activities continued throughout the period, which through the creation of print/online tools and internal events have involved, and will continue to involve, the Group in upcoming months.

Among the most important activities we report: the sharing of information through newsletters and house organs for all Group personnel and the distribution networks; the drawing up of ad hoc Communication Plans; the greater loyalty of clients (Club Assicurati) through the issue of the four-monthly LINEA DIRETTA CLUB magazine; the additions of the Intranet entities.

The Press office was responsible for the publication of the results during 2008 and in the first quarter of the year to the media, as well as the information relating to the strategic operations undertaken by the Group. The Shareholders' Meeting is seen as a particularly important time of communication, which the Press Office views as highly important in relation to media impact. In order to guarantee transparency and a constant flow of information to the external public and the market, the Press Office has promoted and managed meetings to further understanding within the press and interviews with the Chief Executive Officer and Top Management in order to provide information on the services and products offered by the Group.

Customer relations

The number of complaints received by the Company pursuant to Regulation No. 24 of 19/05/2008 in the first half of 2009 amounted to a similar number to the previous year (+0.8%). In particular, the Isvap claims decreased by 21.3% while the ordinary claims increased by 25.5%.

The number of complaints, as indicated above, was due in particular to the following factors:

- initiatives undertaken by a work group created to specifically confront the issues related to the ISVAP provisions;
- the consolidation of the Direct Compensation procedure;
- the channelling directed at the "pre-complaint" correspondence.

In relation to sanctions, ISVAP transmitted a total of 199 formal notifications in accordance with the application of the Private Insurance Code; the Supervision Authority also issued 170 notices in relation to cases which had been previously transmitted by the Notification Act.

In order to identify the causes which could have determined the increase in sanctions we have continued the study on the claims on which a dispute arose, thanks to which it is possible to identify the shortcomings.

This monitoring system in fact allows the mapping out of the responsibilities of the various bodies involved in the management of the damage.

For the sanctions from 1/07/2008 ISVAP requested, against a delay of more than 30 days in the response to complaints made to the Institute, the Referring Unit in the territory to improve the response time - an action which also involved the Client Service office. Finally, we have completed the amendments to the management of complaints programme in accordance with ISVAP Regulation No. 24 of 19/05/08.

Cultural, Sporting and Social Support and future plans

In order to further consolidate the institutional role and visibility in Turin and Piedmont, the Group in the period provided continued support and collaborated with the following cultural institutions during the period:

- the Fondazione Teatro Regio di Torino (Royal Theatre of Turin Foundation) of which Fondiaria-SAI is a founding partner and member of the Board of Directors;
- the Museo Nazionale del Cinema (National Cinematic Museum) - of which Fondiaria-SAI is a member of the Management Committee;
- the Stabile Theatre of Turin;

-
- the Committee for the promotion of the Beni Artistici e Culturali di Torino (Artistic and Cultural Heritage of Turin), of which Fondiaria-SAI is a founding member and a member of the management board;
 - the Turin Industrial Association's Conference Centre;
- and many other institutions operating in social and cultural areas.

In the first half of 2009, the Fondiaria-SAI Group wished to maintain, with a reduced budget, its traditional support to social initiatives. The policy therefore favoured, in accordance with the traditional concerns of the Company, the problems related to social issues, isolation and physical and mental illness. The support continued of AIMAC – Italian Cancer Association, which offers psychological help to persons suffering from cancer and their family and information on the illness through a series of initiatives and publications, and to the AID – Italian Dyslexic Association, set up to provide awareness to the professional and educational world and public opinion on dyslexia. The aid to ATHLA Onlus was renewed, at the Free Time Association for handicapped persons which has the objective of socially integrating disabled persons through occupational opportunities which can be carried out in their free time. In particular, the contribution was put towards the purchase of a minibus for the transport of disabled persons.

The principal commitments for the second half of 2009 will be focused upon the provision and the consolidation of the new visual identity system, the review of the Group's institutional communication instruments, the new editorial initiatives in relation to the training for communication (Vision, training programmes "Say Do Communicate"), the launch of the products of the Retail Più range of Fondiaria-SAI (Casa Classic), the design and launch of the campaign for services related to the GPS system, the continuance of the Corporate Social Responsibility activities (in particular those in support of culture, the social realm and sport), the inaugural evening (14/10/2009 with "La Traviata" of Giuseppe Verdi) of the Regio Theatre in Turin, of which Fondiaria-SAI is a founding partner of the foundation testifying the will of the Group to promote the high arts/cultural scene and the renewed will to create a solid foundation within the city of Turin as well as new Internal Communication initiatives for the Companies of the Group, the constant monitoring of the situation in relation to the ISVAP sanctions and the further improvement of the claims response times, against the entry into force of the new ISVAP Regulation No. 24 of 19/05/08.

Finally, following the earthquake which on April 6 hit the Abruzzo region and the declaration of a state of emergency in the province of L'Aquila and the other Abruzzo Municipalities, the Fondiaria-SAI Group began a series of initiatives aimed at lessening the consequences of the seismic event and to facilitate a gradual recovery of activities in the regions hit by this disastrous event.

LITIGATION

Actions by shareholders

With regard to the proceedings instituted by shareholders of the subsidiary La Fondiaria Assicurazioni S.p.A. against Fondiaria-SAI in relation to the fulfilment of public purchase offer obligations pursuant to CONSOB regulation of December 2002, it should be mentioned that one first instance proceedings is pending and during the course of 2009 no new summons notices were received.

Four proceedings initiated by the Company for the reform of seven judgements issued by the Court of Milan are pending with the Court of Appeals of Milan. In addition, another proceeding is pending with the Court of Appeals of Florence following the counterparty's appeal of the judgement that was issued by the Court of Florence in favour of the Company.

The Milan Court of Appeals – in the only two second level judgements issued on the matter – has fully reformed the first instant sentences accepting the Company's objections and rejecting the request for compensation made by the claimants.

There are two summary judgements currently before the Court of Cassation brought forth by Promofinan S.p.A. and Messrs Marcegaglia in appeal of the judgement in our favour that was issued by the Milan Court of Appeals. The Company has counter-appealed.

The provisions for risks and charges in the financial statements are sufficient against the litigation in course.

Tax Audits

To date, no assessment notice has been issued in relation to the general verifications involving the Parent Company and the subsidiary Milano Assicurazioni in the previous year, which were outlined in the 2008 Annual Report.

In particular in relation to Fondiaria – Sai, on 21/07/2008, the Regional Management of the Tuscan Tax Office, following a general audit on 2004 returns, notified the Parent Company of a Contestation relating to the taxes for the years 2003, 2004 and 2005.

The tax audit concerned, in addition to the formal controls on all tax compliance, Direct Income Taxes, VAT, Withholding taxes, Insurance taxes and other indirect taxes and a large part of activities undertaken by the Company.

The contents of the contestation, principally regarding correct accrual accounting, were analysed in detail by the company in order to assess and quantify the risks and substance, although it should be noted that where an assessment notice is received, we are in agreement only with a minimal part of the findings.

In its defence, the Company on 19/09/2008 communicated, in accordance with article 12, paragraph 7, of Law No. 212/00, a note containing observations and requests on some matters contained in the Tax Notice.

On 9/06/2009 the Company presented, in accordance with article 6 of Legislative Decree No. 218/1997, a declaration of concordance with the Regional Management of Tuscany in relation to the 2004 issues. The assessment notice for the above stated year will be notified only in the case in which the cited procedure, already in course, does not have a positive outcome. The events relating to 2003 have however lapsed.

For the years 2005 and 2006, the Regional Management notified Fondiaria-Sai of a clarification request in accordance with article 37-bis, paragraph four of Presidential Decree No. 600 of September 29, 1973, to which the company responded on 20/07/2009.

SIGNIFICANT EVENTS AFTER THE PERIOD END

Amendment of the partnership agreement for the “Porta Nuova Garibaldi” real estate project

With reference to the amendment to that above already described in detail and to which reference should be made, also on 1/07/2009 contractual agreements necessary to facilitate the review of the corporate structure of the real estate project in question were signed.

DDOR Novi Sad participates in capital increase of Metals Banka AD

On 13/07/2009, following the approval by the National Bank of Serbia, DDOR Novi Sad participated in the Metals Banka AD share offer, the leading Serb company in the bancassurance sector, through DDOR.

The operation, without public offer and only for institutional investors, resulted in the payment by the Group Company of approx. Euro 3.05 million, allowing the purchase of 52,100 ordinary shares (issue price of approx. Euro 58.51) and increasing its holding in Metals Banka AD to 10.10528%.

Partial non proportional spin-off project of Immobiliare Lombarda S.p.A. into two newly incorporated companies held entirely by Fondiaria-SAI and Milano Assicurazioni S.p.A.

The shareholders' meeting of the subsidiary Immobiliare Lombarda S.p.A. on 16/07/2009 approved the partial non proportional spin-off project of Immobiliare Lombarda into two newly constituted companies, one held 100% one by Fondiaria-SAI S.p.A. and the other by Milano Assicurazioni S.p.A.

The project is described in detail in the section “Asset and Financial Management”, to which reference should be made.

Standard & Poor's Rating

On 23/07/2009, the ratings Agency Standard & Poor's confirmed the “A-” rating on the long-term financial solidity of Fondiaria-SAI and Milano Assicurazioni, confirming once again the strong competitive position of the Group as the national leader in the Non-Life Segment. The outlook however was downgraded from “stable” to “negative”.

The review of the outlook, according to the Agency, reflects the drop in the technical management, principally due to the deterioration of the Motor TPL business and the weakening of the capital adequacy following the credit market volatility and the prudent medium-term results forecasts due to the difficult economic situation.

Despite this, the Agency underlined the balance sheet and economic solidity of the Group and its capacity to operate through an efficient system of integrated risk valuation.

Amendments for insurance and reinsurance brokers

In the “Official Gazette” 172 of July 27 the provisions of 2/07/2009 of ISVAP were published. The provision concerns: “Amendments and updates to regulation No. 5 of 16/10/2006, concerning the governance of insurance and reinsurance brokerage activities covered by Chapter IX (Insurance and reinsurance brokers) and article 183 (Conduct regulations) of legislative decree No. 209 of 7/09/2005 of the Private Insurers’ Code”.

Purchase of land in the Municipality of Milan

On 29/07/2009, Fondiaria-SAI purchased from the company IM.CO. S.p.A. and ALTAIR S.p.A. land in the Municipality of Milan.

The land concerned is located in Bruzzano, north of the city (where the buildings and offices of Milano Assicurazioni and the offices of the Group are located) and near the Municipalities of Cormano and Bresso. The area in question is affected by a Lotting Plan (PL) by PRG. In this area, the subsidiary Meridiano Bruzzano S.r.l. (100% held by Immobiliare Lombarda) is undertaking, together with IM.CO. and ALTAIR, a real estate initiative for the building of a residential complex of approx. 100,000 cubic metres, as well as the building for commercial and office use of a further 20,000 cubic metres.

The land owned by IM.CO., which comes under the Lotting Plan has a land area of 87,589 sq.m., while those of ALTAIR comprise of an additional 4,275 sq.m. The land includes the buildings destined for demolition.

The building by Fondiaria-SAI of a residential complex will allow good profit margins if the buildings are maintained for income generation. The investment will also provide a good return if the units are sold.

The price agreed for the purchase operation is Euro 14,054 thousand, of which Euro 13,400 thousand for the land of IM.CO. and Euro 654 thousand for the land of ALTAIR. Euro 2,730 thousand of the price refers to a small portion of land affected by a dispute which is awaiting closure.

Declaring IM.CO. and ALTAIR as related parties of Fondiaria-SAI, an independent expert’s opinion was requested in order to verify that the total price paid was in line with the market price. This opinion confirms the correctness of the above-mentioned price.

Lifting of short-selling ban

At the end of July CONSOB, awaiting a decision on the issue at European level, established that from August 1, the sale of shares must be accompanied both by liquidity and the holding of securities only for companies which by 30/11/2009 have resolved for a share capital increase.

The restrictive regulations on “short selling” were introduced by the Authority during September, when the financial market crisis was in full flow: in subsequent months the provision was prolonged but amended.

However, the Commission aware of the possible impact that short-selling operations may have on trading and the markets integrity, compelled all operators to fully respect the trading regulations and the delivery of securities within the times established by the regulations and laws in force.

OUTLOOK

Within a weakened financial and economic environment which has further deteriorated in recent months, the Group has set out the conditions and strategies to face the difficulties presented in 2009, based on the strengths which have always defined the operations of the Group.

From last year, the company has favoured a strong balance sheet rather than an uncontrolled development of premiums. In particular, in relation to the Motor TPL Class, the continuance of expansion at all costs would further penalise the average premium, although within a decreasing trend due to the strong competition affecting all parties within the segment. In this context, initiatives aimed at recovering profitability, such as for example reform actions on long-term policies, were put in place.

It is therefore considered that the real focus must be on "costs/services" while maintaining the industrial management equilibrium, generating where possible economies of scale and creating significant benefits in the settlement chain as seen with "Auto Presto & Bene" which has the objective of strengthening the level of service offered and reducing costs, rationalising the auto repairs processes and benefiting from the volumes of claims settled and from commercial agreements with a network of trusted operators. This strategy will also continue in the coming months, with the completion of the rollout plan, simultaneous to the changes in the portfolio mix in the Non-Motor Classes, to the protection and improvement of the technical balances and to the maintaining of the equilibrium threshold within the Life Classes. With reference to these latter, the objective is to favour more traditional products rather than products with high financial content.

Unfortunately, the current financial crisis does not permit the Companies to reflect their fundamental values. Such a market situation is quite unique and affects all sectors. We are certain that all the measures undertaken and the actions implemented to protect profitability will permit us to confront the difficulties in the current period.

The objective in the current year is to achieve a positive result, while maintaining a strong balance sheet in the medium-long term period, thus providing shareholders sufficient remuneration on capital invested.

Milan, August 4, 2009

*For the Board of Directors
The Chairperson*

Ms. Jonella Ligresti

Condensed consolidated half-year financial statements

The present condensed consolidated financial statements comprise the Balance Sheet, the Income Statement, the Comprehensive Income statement, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement and the attachments as per ISVAP Regulation No. 7 of 13/07/2007 and the Notes as per IAS 34. They also include additional information, which illustrates some examples contained in IAS, which are considered best practice.

In the preparation of the interim financial statements, Fondiaria-SAI prepares the consolidated financial statements according to IAS applied on a consistent basis.

The valuation and measurement of the amounts recorded in the explanatory notes are in accordance with IAS/IFRS accounting standards currently approved by the European Commission and their current interpretation by the official accounting organisations.

It should be noted that due to the requirements of having timely information and also to avoid repeating information already present in the annual accounts, the present condensed consolidated half-year report provides more limited information than the annual financial statements, although in accordance with the minimum disclosure as per IAS 34 and other regulatory provisions.

Financial Statements

Financial Statements

BALANCE SHEET - ASSETS

(Euro thousand)

| | | 30/06/2009 | 31/12/2008 |
|----------|---|-------------------|-------------------|
| 1 | INTANGIBLE ASSETS | 1,858,089 | 1,899,998 |
| 1.1 | Goodwill | 1,631,860 | 1,640,721 |
| 1.2 | Other intangible assets | 226,229 | 259,277 |
| 2 | PROPERTY, PLANT & EQUIPMENT | 1,261,433 | 1,244,217 |
| 2.1 | Buildings | 1,064,940 | 1,057,869 |
| 2.2 | Other tangible assets | 196,493 | 186,348 |
| 3 | TECHNICAL RESERVES - REINSURANCE AMOUNT | 846,776 | 833,548 |
| 4 | INVESTMENTS | 35,597,886 | 33,437,833 |
| 4.1 | Investment property | 2,612,126 | 2,459,751 |
| 4.2 | Investments in subsidiaries, associates and joint ventures | 330,867 | 292,879 |
| 4.3 | Investments held to maturity | 907,374 | 845,789 |
| 4.4 | Loans and receivables | 2,783,029 | 1,776,024 |
| 4.5 | Available-for-sale financial assets | 19,675,414 | 19,982,715 |
| 4.6 | Financial assets at fair value through profit or loss | 9,289,076 | 8,080,675 |
| 5 | OTHER RECEIVABLES | 2,302,112 | 2,520,006 |
| 5.1 | Receivables from direct insurance operations | 1,663,399 | 1,861,642 |
| 5.2 | Receivables from reinsurance operations | 130,166 | 138,325 |
| 5.3 | Other receivables | 508,547 | 520,039 |
| 6 | OTHER ASSETS | 812,533 | 939,393 |
| 6.1 | Non-current assets or of a discontinued group held for sale | 1,366 | 7,622 |
| 6.2 | Deferred acquisition costs | 187,056 | 226,969 |
| 6.3 | Deferred tax assets | 139,519 | 117,314 |
| 6.4 | Current tax assets | 323,426 | 351,399 |
| 6.5 | Other assets | 161,166 | 236,089 |
| 7 | CASH AND CASH EQUIVALENTS | 791,930 | 760,072 |
| | TOTAL ASSETS | 43,470,759 | 41,635,067 |

BALANCE SHEET - SHAREHOLDERS' EQUITY & LIABILITIES

(Euro thousand)

| | | 30/06/2009 | 31/12/2008 |
|------------|--|-------------------|-------------------|
| 1 | SHAREHOLDERS' EQUITY | 3,756,557 | 3,894,808 |
| 1.1 | Group | 2,764,857 | 2,934,779 |
| 1.1.1 | Share capital | 167,044 | 167,044 |
| 1.1.2 | Other equity instruments | 0 | 0 |
| 1.1.3 | Capital reserves | 209,947 | 209,947 |
| 1.1.4 | Retained earnings and other reserves | 3,014,861 | 3,069,434 |
| 1.1.5 | (Treasury shares) | -321,933 | -302,573 |
| 1.1.6 | Translation reserve | -1,217 | 4,043 |
| 1.1.7 | Profit or loss on available-for-sale financial assets | -371,968 | -350,020 |
| 1.1.8 | Other gains and losses recorded directly in equity | 47,344 | 49,495 |
| 1.1.9 | Group net profit for the period | 20,779 | 87,409 |
| 1.2 | minority interest equity | 991,700 | 960,029 |
| 1.2.1 | Minority capital and reserves | 1,075,906 | 1,054,232 |
| 1.2.2 | Gains and losses recorded directly in equity | -95,826 | -97,558 |
| 1.2.3 | Minority interest profit | 11,620 | 3,355 |
| 2 | PROVISIONS | 299,131 | 463,037 |
| 3 | TECHNICAL RESERVES | 31,375,729 | 29,321,536 |
| 4 | FINANCIAL LIABILITIES | 6,415,227 | 6,263,208 |
| 4.1 | Financial liabilities at fair value through profit or loss | 3,435,279 | 3,454,262 |
| 4.2 | Other financial liabilities | 2,979,948 | 2,808,946 |
| 5 | PAYABLES | 1,032,396 | 958,201 |
| 5.1 | Payables from direct insurance operations | 216,782 | 120,625 |
| 5.2 | Payables from reinsurance operations | 92,638 | 89,170 |
| 5.3 | Other payables | 722,976 | 748,406 |
| 6 | OTHER LIABILITIES | 591,719 | 734,277 |
| 6.1 | Liabilities in a discontinued group held for sale | 0 | 0 |
| 6.2 | Deferred tax liabilities | 175,905 | 249,586 |
| 6.3 | Current tax liabilities | 8,453 | 8,056 |
| 6.4 | Other liabilities | 407,361 | 476,635 |
| | TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 43,470,759 | 41,635,067 |

INCOME STATEMENT

(Euro thousand)

| | | 30/06/2009 | 30/06/2008 |
|----------|--|-------------------|-------------------|
| 1.1 | Net premiums | 6,216,493 | 5,709,572 |
| 1.1.1 | Gross premiums | 6,402,385 | 5,865,799 |
| 1.1.2 | Premiums ceded to re-insurers | -185,892 | -156,227 |
| 1.2 | Commission income | 43,355 | 53,622 |
| 1.3 | Income and charges from financial instruments at fair value through profit or loss statement | 417,627 | -403,385 |
| 1.4 | Income from investments in subsidiaries, associates and joint ventures | 1,614 | 30,174 |
| 1.5 | Income from other financial instruments and property investments | 600,960 | 676,126 |
| 1.5.1 | Interest income | 425,686 | 436,481 |
| 1.5.2 | Other income | 96,584 | 182,340 |
| 1.5.3 | Profits realised | 78,584 | 56,859 |
| 1.5.4 | Valuation gains | 106 | 446 |
| 1.6 | Other revenues | 371,603 | 201,101 |
| 1 | TOTAL REVENUES AND INCOME | 7,651,652 | 6,267,210 |
| 2.1 | Net charges relating to claims | -5,937,473 | -4,235,205 |
| 2.1.2 | Amounts paid and changes in technical reserves | -6,059,653 | -4,314,287 |
| 2.1.3 | Reinsurers' share | 122,180 | 79,082 |
| 2.2 | Commission expenses | -23,973 | -28,150 |
| 2.3 | Charges from investments in subsidiaries, associates and joint ventures | -4,671 | -3,563 |
| 2.4 | Charges from other financial instruments and property investments | -258,589 | -185,407 |
| 2.4.1 | Interest expense | -59,213 | -72,863 |
| 2.4.2 | Other charges | -30,701 | -32,893 |
| 2.4.3 | Losses realised | -78,437 | -57,638 |
| 2.4.4 | Valuation losses | -90,238 | -22,013 |
| 2.5 | Management expenses | -972,926 | -991,679 |
| 2.5.1 | Commissions and other acquisition expenses | -753,928 | -761,604 |
| 2.5.2 | Investment management charges | -5,169 | -9,855 |
| 2.5.3 | Other administration expenses | -213,829 | -220,220 |
| 2.6 | Other costs | -427,571 | -448,717 |
| 2 | TOTAL COSTS AND CHARGES | -7,625,203 | -5,892,721 |
| | PROFIT BEFORE TAXES | 26,449 | 374,489 |
| 3 | Income taxes | 5,950 | -113,214 |
| | NET PROFIT | 32,399 | 261,275 |
| 4 | PROFIT/LOSS FROM DISCONTINUED OPERATIONS | 0 | 0 |
| | CONSOLIDATED PROFIT | 32,399 | 261,275 |
| | group share | 20,779 | 208,429 |
| | Minority share | 11,620 | 52,846 |

COMPREHENSIVE INCOME STATEMENT
(Euro thousand)

| | 30/06/2009 | 30/06/2008 |
|--|---------------|-----------------|
| Net profit for the period | 32,399 | 261,275 |
| Other components of the Comprehensive Income Statement | | |
| Net change in fair value of financial assets available-for-sale | -16,862 | -607,456 |
| Transfers to income statement of available-for-sale financial assets | 36,517 | -21,391 |
| Exchange differences of the conversion of foreign entities | -5,260 | 1,516 |
| Change in profit or loss on cash flow hedges | -2,537 | 16,808 |
| Change in actuarial gains and losses | -640 | -899 |
| Changes in other reserves | -57 | 6,049 |
| Correlated fiscal effect | -40,216 | 90,092 |
| Total Comprehensive Income statement for the period | 3,344 | -254,006 |
| Total Comprehensive Income statement for the period attributable to | -8,580 | -223,136 |
| Group | 11,924 | -30,870 |

STATEMENT OF CHANGES IN THE CONSOLIDATED SHAREHOLDERS' EQUITY AS AT JUNE 30, 2009

Relating to the statement of change in shareholders' equity, the statement requested by Regulation No. 7/2007, which satisfies the disclosures of IAS 1 is shown below.

In particular, we note that the account "Profit and loss on available-for-sale financial assets" refers to the recording of effects of the valuation of the related financial instruments net of those attributable to the policyholders and recorded as a deferred liability to policyholders.

The allocation column relates to the allocation of the profit for the period, the allocation of the profit for the previous year to reserves, the increase in share capital and other reserves, the changes in profits and losses recorded directly in equity; the column transfers to the income statement include the profits or losses previously recorded in equity in accordance with international accounting standards; the other transfers includes the distribution of ordinary dividends and the decreases of share capital and other reserves, among which the purchase of treasury shares and the gains or losses deriving from the valuation of available-for-sale financial assets attributable to the policyholders under insurance liabilities.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Euro thousand)

| | | Balance at 12-2007 | 31- Change in opening balances | Allocation | Transfer to Income Statement | Others transfers | Balance at 06-2008 | 30- Balance at |
|--|---|-----------------------|--------------------------------------|------------|---------------------------------|---------------------|-----------------------|-------------------|
| Group shareholders' equity | Share capital | 168,634 | | 159 | | | 168,693 | |
| | Other equity instruments | 0 | | 0 | | | 0 | |
| | Capital reserves | 207,785 | | 1,157 | | | 208,942 | |
| | Retained earnings and other reserves | 2,807,956 | | 321,324 | | | 3,129,280 | |
| | (Treasury shares) | -310,961 | | 0 | | -19,643 | -330,604 | |
| | Translation reserve | -1,623 | | 1,616 | | | -107 | |
| | Profit or loss on available-for-sale financial assets | 415,143 | | -522,197 | -18,899 | 80,131 | -35,822 | |
| | Profit or loss on cash flow hedges | 3,855 | | 12,242 | | | 16,097 | |
| | Profit or loss on a net foreign investment hedge | 0 | | 0 | | | 0 | |
| | Other gains and losses recorded directly in equity | 28,364 | | -13,893 | | | 14,471 | |
| | Reserve on net equity changes in investments | 0 | | 0 | | | 0 | |
| | Revaluation reserve of intangible assets | 0 | | 0 | | | 0 | |
| | Revaluation reserve of tangible assets | 0 | | 0 | | | 0 | |
| | Income/(charges) on non-current assets or of a discontinued group held for sale | 0 | | 0 | | | 0 | |
| | Other reserves | -31,733 | | 19,335 | | | -12,398 | |
| Shareholders' equity – minority interest | Profit/(loss) for the period | 506,966 | | -113,600 | | -184,937 | 208,429 | |
| | Total Group | 3,857,752 | 0 | -293,757 | -18,899 | -114,449 | 3,430,647 | |
| | Minority capital and reserves | 1,157,681 | | -88,859 | | | 1,068,822 | |
| | Gains and losses recorded directly in equity | 42,417 | | -112,939 | -1,151 | 20,747 | -50,926 | |
| | Profit/(loss) for the period | 113,085 | | 22,853 | | 83,092 | 32,496 | |
| Total | Minority share | 1,313,183 | 0 | -178,945 | -1,151 | 82,941 | 1,075,028 | |
| | Total | 5,170,935 | 0 | -472,702 | -20,050 | -175,794 | 4,501,389 | |

| | | Balance at 31-12-2008 | Change in opening balances | Allocation | Transfer to Income Statement | Others transfers | Balance at 30-06-2009 |
|--|---|--------------------------|-------------------------------|------------|---------------------------------|---------------------|--------------------------|
| Group shareholders' equity | Share capital | 167,044 | | | | | 167,044 |
| | Other equity instruments | 0 | | | | | 0 |
| | Capital reserves | 209,947 | | | | | 209,947 |
| | Retained earnings and other reserves | 3,069,434 | | -7,260 | | -47,313 | 3,014,861 |
| | (Treasury shares) | -302,573 | | | | -19,360 | -321,933 |
| | Translation reserve | 4,043 | | -5,260 | | | -1,217 |
| | Profit or loss on available-for-sale financial assets | -350,020 | | 107,968 | 5,555 | -135,471 | -376,958 |
| | Profit or loss on cash flow hedges | -4,135 | | -2,144 | | | -6,279 |
| | Profit or loss on a net foreign investment hedge | 0 | | | | | 0 |
| | Other gains and losses recorded directly in equity | 1,198 | | 938 | | | 2,136 |
| | Reserve on net equity changes in investments | 0 | | | | | 0 |
| | Revaluation reserve of intangible assets | 0 | | | | | 0 |
| | Revaluation reserve of tangible assets | 9,431 | | -461 | | | 8,970 |
| | Income/(charges) on non-current assets or of a discontinued group held for sale | 0 | | | | | 0 |
| | Other reserves | 45,001 | | -484 | | | 44,517 |
| Shareholders' equity – minority interest | Profit/(loss) for the period | 87,409 | | 2,961 | | -69,591 | 20,779 |
| | Total Group | 2,934,779 | 0 | 96,258 | 5,555 | -271,735 | 2,764,857 |
| | Minority capital and reserves | 1,054,232 | | 50,662 | | -28,958 | 1,075,936 |
| | Gains and losses recorded directly in equity | -87,559 | | 15,314 | 11,299 | -24,981 | -86,926 |
| | Profit/(loss) for the period | 3,355 | | 12,538 | | -4,273 | 11,620 |
| Total | Minority share | 960,029 | 0 | 78,514 | 11,299 | -58,142 | 991,700 |
| | Total | 3,894,808 | 0 | 174,772 | 16,854 | -329,877 | 3,756,557 |

CONSOLIDATED CASH FLOW STATEMENT AT JUNE 30, 2009

In relation to the Cash Flow Statement, the attachment as per Regulation No. 7/2007 is provided which complies with IAS 7; this statement provides for a schedule prepared in a free format with a series of minimum requirements and, relating to the presentation of the cash flow deriving from operating activities requires the utilisation, alternatively, of the direct method, which indicates the principal categories of gross receipts and payments or the indirect method, in which the results for the period are adjusted for the effects of non-cash items, of any deferral or accrual of future operating receipts and payments, and from revenues or costs relating to financial cash flows deriving from investments and financial activities.

The indirect form of the cash flow statement, reported below, separately shows the net liquidity deriving from operating activity and that deriving from investment and financial activity.

CASH FLOW STATEMENT (indirect method)

(Euro thousand)

| | 30/06/2009 | 30/06/2008 |
|--|-------------------|-----------------|
| Profit before taxes | 26,449 | 374,489 |
| Non-cash adjustments | 1,905,528 | -700,030 |
| Change in non-life unearned premium reserve | 39,092 | 40,970 |
| Change in claims reserve and other non-life technical reserves | -64,891 | -348,774 |
| Change in actuarial reserves and other life technical reserves | 1,852,611 | -259,319 |
| Change in deferred acquisition costs | 39,913 | 42,823 |
| Change in provisions | -163,906 | 35,740 |
| Non-cash income/charges from financial instruments, property investments and holdings | 11,664 | 63,754 |
| Other movements | 191,045 | -275,224 |
| Change in payables and receivables from operating activities | 219,412 | -80,198 |
| Change in payables and receivables from direct insurance operations and reinsurance | 141,296 | 47,980 |
| Change in other payables and receivables | 78,116 | -128,178 |
| Income taxes paid | -3,665 | -134,953 |
| Net liquidity generated/absorbed from cash items relating to investing and financing activities | -1,275,252 | -435,843 |
| Liabilities from financial contracts issued by insurance companies | -4,691 | -508,674 |
| Bank and interbank payables | -128,472 | 14,529 |
| Loans and receivables from banks and interbank | 3,975 | -82,146 |
| Other financial instruments at fair value recorded to the income statement | -1,146,064 | 140,448 |
| TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES | 872,472 | -976,535 |
| Net liquidity generated/absorbed from property investments | -175,847 | -86,070 |
| Net cash generated/absorbed from investments in subsidiaries, associates and joint ventures | -39,478 | 17,661 |
| Net cash generated/absorbed from loans and receivables | -206,370 | -281,357 |
| Net cash generated/absorbed from investments held to maturity | -61,585 | 0 |
| Net cash generated/absorbed from available-for-sale financial assets | -447,224 | 1,382,104 |
| Net cash generated/absorbed from intangible and tangible fixed assets | -32,010 | -57,253 |
| Net cash generated/absorbed from investing activities | 6,256 | 1,370 |
| TOTAL NET CASH FLOW FROM INVESTING ACTIVITIES | -956,258 | 976,455 |
| Net cash generated/absorbed from Group equity instruments | 0 | 1,316 |
| Net cash generated/absorbed from treasury shares | -19,360 | -19,643 |
| Distribution of Dividends relating to the Group | -116,904 | -184,937 |
| Net cash generated/absorbed from minority interest capital and reserves | 20,051 | -295,287 |
| Net cash generated/absorbed from sub-ordinated liabilities and financial instruments in holdings | 0 | 0 |
| Net cash generated/absorbed from other financial liabilities | 231,857 | 389,835 |
| TOTAL NET CASH FLOW FROM FINANCING ACTIVITIES | 115,644 | -108,716 |
| Exchange difference effect on cash and cash equivalents | -2,868 | 0 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | 760,072 | 701,195 |
| INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 31,858 | -108,796 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 791,930 | 592,399 |

Notes to the financial statements

Notes to the financial statements

PART A - Accounting principles

The accounting principles applied to the consolidated half-year report were those utilised for the preparation of the last consolidated financial statements, to which reference should be made, and are in compliance with international accounting standards IAS/IFRS issued by the IASB, approved by the EU and interpreted by the official bodies. The measurement of the individual Balance Sheet and Income Statement accounts was made in accordance with the same criteria utilised in the preparation of the 2008 financial statements.

Reference should therefore be made to the detailed illustration of the methods utilised.

However, the interim accounts utilise a greater valuation approach and makes greater use of simplification; consequently methods which make greater use of estimates are utilised.

Non-Life Claims Reserves

For the valuation of the technical reserves of the Motor TPL Class, we recall that from February 1, 2007, a new direct compensation procedure was put in place which, in the case of road accidents, permits non-responsible claimants, or those only partly responsible, to be compensated directly by their insurance company. From January 1, 2008, the regulations for the calculation of the flat rate reimbursements were significantly modified. In particular, the single flat rate for the direct compensation convention was replaced by two separate flat rates, separately applied for material damage and for any personal injury to the driver.

In this context, the reserve was measured separately for the various types of management under the new regime. In particular:

- for the claims within the CARD Debtor regime, the valuation was made based on the differing flat rates, for 2007, 2008 and 2009, defined by the Technical Committee set up under Pres. Decree No. 254/2006;
- for the CARD Operator claims, the expected final cost was recorded net of the flat recoverable amounts;
- for the claims not covered by the new regime (essentially as they involve two vehicles or permanent personal injury greater than 9%), the valuation of the final cost of the claims in the current year was made revaluing the amounts indicated by the settlement offices, taking into account the average costs assumed for these type of claims, which are more costly. for the claims of previous years, already recorded in reserves, the trends relating to the claims settled in the period were noted, verifying the appropriateness of the reserves recorded at 31/12/2008.

In the Other Non-Life Classes, for both the current generation and previous generations, the technical offices estimate was supplemented utilising the parameters already utilised for the 2008 annual accounts, where there were not significant statistical changes compared to the consolidated trends.

The technical reserves relating to the reinsurers are calculated based on the portion ceded for the proportional reinsurance and in a revisional manner for the excess and stop-loss reinsurance, on the basis of the information available and utilising the same criteria for the direct premium reserves, taking into account the contractual clauses.

Valuation and impairment of financial instruments

With reference to the valuation of financial instruments, reference should be made to the financial statements at December 31, 2008.

The “fair value policy” outlined therein did not incur changes and, therefore, with reference to the listed financial instruments in active markets, the stock exchange price at 30/06/2009 was utilised.

It is also reported that some valuation processes, such as those utilised to determine any losses in value (impairment) of financial assets available-for-sale, are - given their complexity - generally made in the preparation of the annual financial statements. However, the current financial crisis further complicated the valuation processes, requiring analysis, with reference in particular to the equity instruments, based not only on stock market movements, but also on values of fundamental use of these assets.

Consequently in this half-year report, also due to the limited availability of all the necessary information, the losses in value of “Available for sale” financial instruments recorded due to the application of the automatic criteria as illustrated in the consolidated financial statements of December 31, 2008 were recorded in the income statement and which identified temporal and quantitative limits for the recording of a long-term or significant drop in the fair value in accordance with paragraph 61 of IAS 39 expect that reported below.

Following that recently expressed by IFRIC relating to paragraph 61 of IAS 39, the Group has begun a review of its impairment policy. Following the clarification requests to IFRIC regarding the meaning of “significant or prolonged”, as expressed in the above stated paragraph 61 in order to identify a loss in value, it emerged that the two criteria must be recorded separately and not together.

Therefore, from the present half year, it is considered necessary to eliminate the threshold which identified the reduction in the market value of at least 20% for a continuous period of one year as proof of impairment. Consequently, the analyses, as well as regarding shares with a loss of between 20% and 80% of the book value, was extended in accordance with the methods reported in the 2008 annual accounts to all of the Afs capital instruments which show losses for a continuous period of between 12 and 24 months.

The other two thresholds identified in the 2008 annual accounts (80% and 24 months) for the recognition of an objective evidence of impairment remain unchanged.

Reclassification of financial instruments

The increase in the account “Loans and Receivables” is also due to the application of the provision in IAS 39, and as enacted in October through the approval of EU Regulation No. 1725/2003, through which a financial asset classified as available-for-sale may be reclassified in the category “loans and receivables” provided it complies with the requisites contained in the definition of loans and receivables, and the company has the intention and the capacity to hold the financial asset for the foreseeable future or until maturity.

Based on this option, it was decided to reclassify at January 1, 2009 some debt securities recorded in the accounts at December 31, 2008 for Euro 804,716 thousand from the category “Available-for-sale” to “Loans and Receivables”.

These securities, principally containing subordination clauses and issued by corporate parties, were measured at fair value at December 31, 2008 through mark to model, with the objective to provide maximum transparency and clarification in the valuations in the accounts. This intention does not easily reconcile with the nature of the securities and with the difficulties to define and, therefore, provide the stakeholders an objective fair value, in consideration of the current economic-financial crisis which does not permit normal pricing, in particular for these types of securities.

In consideration of the nature of the securities and of the intention and of the capacity of the Group to hold these assets for the foreseeable future or until maturity, the allocation of these financial instruments to the category of “loans and receivables” is clearly more appropriate, which through the valuation at amortised cost permits the recording of the income matured on the security in the income statement of the period.

The accounting value of the securities transferred at 30/06/2009 was Euro 806,317 thousand and the fair value at that date, determined on the basis of the above-mentioned mark to model method, substantially confirm the carrying value at the date of the present report. The effect of the amortised cost resulted in the recording of income of Euro 2,175 thousand. The negative AFS reserve recorded on these securities on January 1, 2009 amounts to Euro 74,578 thousand and is amortised in accordance with the provisions of IAS 39.

It should be noted also that this reclassification has an effect in the first half of 2009 in that, as explicitly outlined in IAS 39 103G, it is not possible to retroactively apply this change in 2008; however, as illustrated by the figures, the effects are not material.

Consolidation principles

The same consolidation principles were utilised in the half year report as for the last consolidated financial statements.

For detailed information on the accounting principles utilised, reference should be made to these latter. Any such references to 31/12 should be considered as similar for 30/06.

For the preparation of the consolidated half-year report, the half-year reports approved by the Boards of Directors of the respective Companies were utilised or, alternatively, the half-year financial statements which were reviewed by the respective management boards.

Consolidation scope

At 30/06/2009, the Fondiaria-SAI Group, including the Parent Company, was made up of 126 Companies, of which 19 operated in the insurance sector, 2 in the banking sector, 52 in the real estate and agricultural sector and 23 in the financial services sector. The remaining companies are service companies of various types. The company has 19 overseas offices.

The total number of subsidiaries fully consolidated is 87 and the number of companies consolidated under the Net Equity method is 19, while the remaining companies are consolidated under the proportional method or maintained at carrying value given their insignificant amount to the Group.

Excluded are the subsidiaries which due to their size or nature of activities are not significant for the purposes of a true and fair representation of the present half-year accounts.

There are 97 subsidiary companies, of which 39 are controlled directly by the Parent Company.

During the first half of 2009, the consolidation scope of the Fondiaria-SAI Group saw the following changes:

- incorporation of the service company Città della Salute S.c.r.l.;
- purchase of the company Atahotels S.p.A. (held for 51% by Fondiaria-SAI and 49% by Milano Assicurazioni). The Company at 30/06/2009 was valued at the book value as the restated half-year data according to IAS/IFRS was not available in time for the full consolidation. At the same time, control of the following subsidiaries was acquired: Ata Benessere S.r.l., Atahotels Suisse S.A., Tour Executive S.p.A., Hotel Terme di Saint Vincent S.r.l., Ital Residence S.r.l. and Ital H&R S.r.l.;
- full consolidation of the Athens R.E. Speculative Fund held by Milano Assicurazioni;
- purchase of class A shares of the Sicar Open Mind Investments S.c.a. amounting to 73.17%. The full shareholding amounted to 65.85%, although the company was not controlled by Fondiaria-SAI as the shares do not confer management rights.

In addition the following changes, which do not result in a change in the consolidation scope, took place:

- incorporation by merger, in the Group company Fondiaria-SAI Servizi S.c.r.l. of the companies Starvox S.r.l. and Salevox S.r.l..

A graph outlining the subsidiary and associated companies of the Group is shown below.

| Sector | Percentage of control | | Group Holding | |
|---|-----------------------|--|---------------|--|
| | Direct | Indirect | | |
| SUBSIDIARY COMPANIES | | | | |
| Companies consolidated line-by-line | | | | |
| ATHENS R.E. FUND – FONDO SPECULATIVO | Real Estate | MILANO ASSICURAZIONI S.p.A. 100.00 | 62.85 | |
| AUTO PRESTO & BENE S.r.l. Turin | | | | |
| Share Capital Euro 51,000 | Services | 100.00 | 100.00 | |
| BANCA GESFID S.A. Lugano (CH) | | | | |
| Share Capital CHF 10,000,000 | Banking | 100.00 | 100.00 | |
| BANCASAI S.p.A. Turin | | | | |
| Share Capital Euro 116,677,161 | Banking | 100.00 | 100.00 | |
| BIM VITA S.p.A. Turin | | | | |
| Share Capital Euro 7,500,000 | Life Insurance | 50.00 | 50.00 | |
| BIPIEMME VITA S.p.A. Milan | | | | |
| Share Capital Euro 103,500,000 | Life Insurance | MILANO ASSICURAZIONI S.p.A. 51.00 | 32.05 | |
| BRAMANTE S.r.l. Milan | | | | |
| Share Capital Euro 10,000 | Real Estate | IMMOBILIARE LOMBARDA S.p.A. 100.00 | 85.50 | |
| CAMPO CARLO MAGNO S.p.A. Pinzolo (TN) | | | | |
| Share Capital Euro 9,311,200 | Real Estate | MILANO ASSICURAZIONI S.p.A. 100.00 | 62.85 | |
| CAPITALIA ASSICURAZIONI S.p.A. Milan | | | | |
| Share capital Euro 5,200,000 | Non-Life Insurance | 51.00 | 51.00 | |
| CARPACCIO S.r.l. Milan | | | | |
| Share Capital Euro 10,000 | Real Estate | IMMOBILIARE LOMBARDA S.p.A. 100.00 | 85.50 | |
| CASA DI CURA VILLA DONATELLO S.p.A. Florence | | | | |
| Share Capital Euro 361,200 | Services | 100.00 | 100.00 | |
| CASA DI CURA VILLANOVA S.r.l. Florence | | | | |
| Share Capital Euro 182,000 | Services | 100.00 | 100.00 | |
| CASCINE TRENNO S.r.l. Turin | | | | |
| Share Capital Euro 10,000 | Real Estate | IMMOBILIARE LOMBARDA S.p.A. 100.00 | 85.50 | |
| CITTÀ DELLA SALUTE S.c.r.l. Florence | Services | CASA DI CURA VILLA DONATELLO S.p.A. 50.00 CASA DI CURA VILLANOVA S.r.l. 45.00 | 100.00 | |
| Share Capital Euro 100,000 | | FLORENCE CENTRO DI CHIRURGIA AMBULATORIALE S.r.l. 5.00 | | |
| COLPETRONE S.r.l. Umbertide (PG) | | | | |
| Share Capital Euro 10,000 | Agriculture | SAIAGRICOLA S.p.A. 100.00 | 97.48 | |

| | Sector | Percentage of control | | Group Holding |
|---|--------------------|-----------------------|---|---------------|
| | | Direct | Indirect | |
| CASTELLO CONSORTIUM Florence Share Capital Euro 51,000 | Real Estate | | NUOVE INIZIATIVE TOSCANE S.r.l. 99.66 | 98.50 |
| CRIVELLI S.r.l. Milan Share Capital Euro 10,000 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 100.00 | 85.50 |
| DDOR NOVI SAD A.D.O. Novi Sad (Serbia) Share capital RSD 2,579,597,280 | Mixed Insurance | 99.99 | | 99.99 |
| DIALOGO ASSICURAZIONI S.p.A. Milan Share Capital Euro 8,831,774 | Non-Life Insurance | | MILANO ASSICURAZIONI S.p.A. 99.85 | 62.76 |
| DIALOGO VITA S.p.A. Florence Share Capital Euro 6,240,000 | Life Insurance | 40.00 | MILANO ASSICURAZIONI S.p.A. 60.00 | 77.71 |
| DOMINION INSURANCE HOLDING Ltd London (GB) Share Capital GBP 35,438,267.65 | Finance | | FINSAI INTERNATIONAL S.A. 100.00 | 99.99 |
| EFFE FINANZIARIA S.p.A. in liquidation Florence Share Capital Euro 516,500 | Finance | | THE LAWRENCE RE IRELAND Ltd 100.00 | 100.00 |
| EUROPA TUTELA GIUDIZIARIA S.p.A. Milan Share Capital Euro 5,160,000 | Non-Life Insurance | 100.00 | | 100.00 |
| EUROSAI FINANZIARIA DI PARTECIPAZIONI S.r.l. Turin Share Capital Euro 5,265,600 | Finance | 100.00 | | 100.00 |
| FINITALIA S.p.A. Milan Share Capital Euro 15,376,285 | Finance | | BANCASAI S.p.A. 100.00 | 100.00 |
| FINSAI INTERNATIONAL S.A. Luxembourg Share Capital Euro 44,131,900 | Finance | 19.92 | SAINTERNATIONAL S.A. 43.92 SAILUX S.A. 36.15 | 99.99 |
| FLORENCE CENTRO DI CHIRURGIA AMBULATORIALE S.r.l. Florence Share Capital Euro 10,400 | Services | | CASA DI CURA VILLANOVA S.r.l. 100.00 | 100.00 |
| FONDIARIA NEDERLAND B.V. Amsterdam (NL) Share Capital Euro 19,070 | Finance | 100.00 | | 100.00 |

| | | Percentage of control | | Group Holding |
|---|--------------------|-----------------------|--|---------------|
| Sector | | Direct | Indirect | |
| GRUPPOFONDIARIA-SAI SERVIZI S.c.r.l. Milan Share capital Euro 5,200,000 | Services | 64.27 | MILANO ASSICURAZIONI S.p.A. 34.19 SYSTEMA VITA S.p.A. 0.02 SYSTEMA COMPAGNIA S.p.A. 0.18 DIALOGO ASSICURAZIONI S.p.A. 0.20 EUROPA TUTELAGIUDIZ.S.p.A. 0.02 FINITALIA S.p.A. 0.02 CAPITALIA ASSICURAZIONI S.p.A. 0.02 BANCASAI S.p.A. 0.02 DIALOGO VITA S.p.A. 0.02 PRONTO ASSISTANCE S.p.A. 0.90 SAI ASSET MANAGEMENT SGR S.p.A. 0.02 SAI MERCATI MOBILIARI SIM S.p.A. 0.02 LIGURIA ASSICURAZIONI S.p.A. 0.02 LIGURIA VITA S.p.A. 0.02 PRONTO ASSISTANCE SERVIZI S.c.a.r.l. 0.02 SISTEMI SANITARI S.c.r.l. 0.02 BIM VITA S.p.A. 0.02 | 87.10 |
| IMMOBILIARE LITORELLA S.r.l. Milan Share Capital Euro 10,329 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 100.00 | 85.50 |
| IMMOBILIARE LOMBARDA S.p.A. Milan Share Capital Euro 697,907,753.59 | Real Estate | 60.98 | MILANO ASSICURAZIONI S.p.A. 39.02 | 85.50 |
| INIZIATIVE VALORIZZAZIONI EDILI – IN.V.ED. S.r.l. Rome Share Capital Euro 10,329 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 100.00 | 85.50 |
| INSEDIAMENTI AVANZATI NEL TERRITORIO I.A.T. S.p.A. Rome Share Capital Euro 2,580,000 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 100.00 | 85.50 |
| ITALIBERIA INVERSIONES FINANCIERAS SL Madrid Share Capital Euro 122,193,595 | Finance | 100.00 | | 100.00 |
| LIGURIA SOCIETÀ DI ASSICURAZIONI S.p.A. Segrate (Mi) Share Capital Euro 23,000,000 | Non-Life Insurance | | MILANO ASSICURAZIONI S.p.A. 99.97 | 62.83 |
| LIGURIA VITA S.p.A. Segrate (Mi) Share Capital Euro 6,000,000 | Life Insurance | | LIGURIA ASSICURAZIONI S.p.A. 100.00 | 62.83 |
| MANTEGNA S.r.l. Milan Share Capital Euro 10,000 | Real Estate | 100.00 | | 100.00 |
| MARINA DI LOANO S.p.A. Milan Share Capital Euro 5,536,000 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 100.00 | 85.50 |

| | Sector | Percentage of control | | Group Holding |
|---|-----------------|-----------------------|--|---------------|
| | | Direct | Indirect | |
| MASACCIO S.r.l. Milan Share Capital Euro 10,000 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 100.00 | 85.50 |
| MERIDIANO AURORA S.r.l. Milan Share Capital Euro 10,000 | Real Estate | 100.00 | | 100.00 |
| MERIDIANO BELLARMINO S.r.l. Turin Share Capital Euro 10,000 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 100.00 | 85.50 |
| MERIDIANO BRUZZANO S.r.l. Turin Share Capital Euro 10,000 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 100.00 | 85.50 |
| MERIDIANO EUR S.r.l. Milan Share Capital Euro 10,000 | Real Estate | | MILANO ASSICURAZIONI S.p.A. 100.00 | 62.85 |
| MERIDIANO ORIZZONTI S.r.l. Milan Share Capital Euro 10,000 | Real Estate | | MILANO ASSICURAZIONI S.p.A. 100.00 | 62.85 |
| MERIDIANO PRIMO S.r.l. Turin Share Capital Euro 10,000 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 100.00 | 85.50 |
| MERIDIANO QUARTO S.r.l. Turin Share Capital Euro 10,000 | Real Estate | | SAI HOLDING ITALIA S.p.A. 100.00 | 100.00 |
| MERIDIANO QUINTO S.r.l. Milan Share Capital Euro 800,000 | Real Estate | 100.00 | | 100.00 |
| MERIDIANO RISPARMIO S.r.l. Milan Share Capital Euro 10,000 | Real Estate | 100.00 | | 100.00 |
| MERIDIANO SECONDO S.r.l. Turin Share Capital Euro 10,000 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 100.00 | 85.50 |
| MERIDIANO TERZO S.r.l. Turin Share Capital Euro 10,000 | Real Estate | | SAI HOLDING ITALIA S.p.A. 100.00 | 100.00 |
| MILANO ASSICURAZIONI S.p.A. Milan Share Capital Euro 305,851,341.12 | Mixed Insurance | 60.58 | FONDIARIA NEDERLAND B.V. 1.50 POPOLARE VITA S.p.A. 0.02 PRONTO ASSISTANCE S.p.A. 0.05 SAI HOLDING ITALIA S.p.A. 0.51 SAINTERNATIONAL S.A. 0.20 | 62.85 |
| MIZAR S.r.l. Rome Share Capital Euro 10,329 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 100.00 | 85.50 |
| NUOVA IMPRESA EDIFICATRICE MODERNA S.r.l. Rome Share Capital Euro 10,329 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 100.00 | 85.50 |

| | Sector | Percentage of control | | | Group Holding |
|--|--------------------|--------------------------|--|-------|---------------|
| | | Direct | Indirect | | |
| NUOVE INIZIATIVE TOSCANE S.r.l. Florence | | | | | |
| Share Capital Euro 26,000,000 | Real Estate | 96.88 | MILANO ASSICURAZIONI S.p.A. 3.12 | | 98.84 |
| POPOLARE VITA S.p.A. Verona | | | | | |
| Share Capital Euro 179,600,005 | Life Insurance | 24.39 | SAI HOLDING ITALIA S.p.A. 25.61 | | 50.00 |
| PONTORMO S.r.l. Milan | | | | | |
| Share Capital Euro 50,000 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 100.00 | | 85.50 |
| PORTOFINO VETTA S.r.l. Florence | | | | | |
| Share Capital Euro 10,400 | Real Estate | 100.00 | | | 100.00 |
| PROGETTO BICOCCA LA PIAZZA S.r.l. in liquidation Milan | | | | | |
| Share Capital Euro 3,151,800 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 74.00 | | 63.27 |
| PRONTO ASSISTANCE S.p.A. Turin | | | | | |
| Share Capital Euro 2,500,000 | Non-Life Insurance | 100.00 | | | 100.00 |
| PRONTO ASSISTANCE SERVIZI S.c.a.r.l. Turin | Services | 37.40 | MILANO ASSICURAZIONI S.p.A. | 28.00 | 79.67 |
| | | | DIALOGO ASSICURAZIONI S.p.A. | 24.00 | |
| | | | LIGURIA S.p.A. | 2.20 | |
| | | | CAPITALIA ASSICURAZIONI S.p.A. | 0.15 | |
| | | | SYSTEMA S.p.A. | 0.35 | |
| | | | BANCASAI S.p.A. | 0.10 | |
| | | | SISTEMI SANITARI S.r.l. | 0.10 | |
| Share Capital Euro 516,000 | | PRONTO ASSISTANCE S.p.A. | 7.70 | | |
| RISTRUTTURAZIONI EDILI MODERNE – R.EDIL.MO S.r.l. Rome | | | | | |
| Share Capital Euro 10,329 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 100.00 | | 85.50 |
| SAI ASSET MANAGEMENT SGR S.p.A. Milan | | | | | |
| Share Capital Euro 5,000,000 | Asset Management | 100.00 | | | 100.00 |
| SAI HOLDING ITALIA S.p.A. Turin | | | | | |
| Share Capital Euro 50,000,000 | Finance | 100.00 | | | 100.00 |
| SAI INVESTIMENTI S.G.R. S.p.A. Turin | | | | | |
| Share Capital Euro 3,913,588 | Asset Management | 51.00 | MILANO ASSICURAZIONI S.p.A. 29.00 | | 69.23 |
| SAI MERCATI MOBILIARI SIM S.p.A. Milan | | | | | |
| Share Capital Euro 20,000,000 | Brokerage | 100.00 | | | 100.00 |
| SAIAGRICOLA S.p.A. SOCIETÀ AGRICOLA Turin | | | | | |
| Share Capital Euro 66,000,000 | Agriculture | 92.01 | MILANO ASSICURAZIONI S.p.A. 6.80 PRONTO ASSISTANCE S.p.A. 1.19 | | 97.48 |
| SAIFIN-SAIFINANZIARIA S.p.A. Turin | | | | | |
| Share Capital Euro 102,258,000 | Finance | 100.00 | | | 100.00 |
| SAILUX S.A. Luxembourg | | | | | |
| Share Capital Euro 30,000,000 | Finance | | SAIFIN-SAIFINANZIARIA S.p.A. 99.99 FINSAI INTERNATIONAL S.A. 0.01 | | 100.00 |

| | Sector | Percentage of control | | Group Holding |
|---|--------------------|-----------------------|---|---------------|
| | | Direct | Indirect | |
| SAINT GEORGE CAPITAL MANAGEMENT S.A. Lugano (CH) Cap. Share Capital CHF 500,000 | | | | |
| | Finance | | BANCA GESFID S.A. 100.00 | 100.00 |
| SAINTERNATIONAL S.A. Luxembourg Share Capital Euro 154,000,000 | | | | |
| | Finance | 99.99 | | 99.99 |
| SANTA MARIA DEL FICO S.r.l. Umbertide (PG) Share Capital Euro 78,000 | | | | |
| | Agriculture | | SAIAGRICOLA S.p.A. 100.00 | 97.48 |
| SERVICE GRUPPO FONDIARIA-SAI S.r.l. Florence Share Capital Euro 104,000 | | | | |
| | Services | 70.00 | MILANO ASSICURAZIONI S.p.A. 30.00 | 88.86 |
| SIAT SOCIETÀ ITALIANA ASSICURAZIONI E RIASSICURAZIONI S.p.A. Genoa Share Capital Euro 38,000,000 | | | | |
| | Non-Life Insurance | | SAI HOLDING ITALIA S.p.A. 94.69 | 94.69 |
| SIM ETOILE S.A.S. Paris Share Capital Euro 3,049,011.34 | | | | |
| | Real Estate | 99.99 | | 99.99 |
| SINTESI SECONDA S.r.l. Milan Share Capital Euro 10,400 | | | | |
| | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 100.00 | 85.50 |
| SISTEMI SANITARI S.c.r.l. Milan Share Capital Euro 1,000,000 | | | | |
| | Services | 78.97 | MILANO ASSICURAZIONI S.p.A. 19.63 BANCASAI S.p.A. 0.04 BIM VITA S.p.A. 0.01 DIALOGO S.p.A. 0.02 FINALIA S.p.A. 0.02 LIGURIA S.p.A. 0.22 LIGURIA VITA S.p.A. 0.02 POPOLARE VITA S.p.A. 0.51 PRONTO ASSISTANCE S.p.A. 0.03 PRONTO ASSISTANCE SERVIZI S.c.a.r.l. 0.41 SAI SIM S.p.A. 0.01 SYSTEMA S.p.A. 0.01 SYSTEMA VITA S.p.A. 0.01 SAI ASSET MANAGEMENT S.p.A. 0.01 | 92.19 |
| SOCIETÀ EDILIZIA IMMOBILIARE SARDA S.E.I.S. S.p.A. Rome Share capital Euro 3,877,500 | | | | |
| | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 51.67 | 44.18 |
| SOGEINT S.r.l. Milan Share Capital Euro 100,000 | | | | |
| | Other | | MILANO ASSICURAZIONI S.p.A. 100.00 | 62.85 |
| SRP Asset Management S.A. Lugano Cap. Share Capital CHF 1,000,000 | | | | |
| | Services | | SAINTERNATIONAL S.A. 100.00 | 99.99 |
| STIMMA S.r.l. Florence Share Capital Euro 10,000 | | | | |
| | Real Estate | 100.00 | | 100.00 |

| | Sector | Percentage of control | | Group Holding |
|---|--------------------|-----------------------|--|---------------|
| | | Direct | Indirect | |
| SYSTEMA COMPAGNIA DI ASS. NI S.p.A. Milan | | | | |
| Share Capital Euro 5,164,600 | Non-Life Insurance | | MILANO ASSICURAZIONI S.p.A. 100.00 | 62.85 |
| SYSTEMA VITA S.p.A Florence | | | | |
| Share Capital Euro 6,240,000 | Life Insurance | 100.00 | | 100.00 |
| THE LAWRENCE RE IRELAND LTD Dublin (IRL) | | | | |
| Share Capital Euro 635,000 | Mixed Insurance | | FONDIARIA NEDERLAND B.V. 100.00 | 100.00 |
| THE LAWRENCE LIFE ASSURANCE CO. LTD. Dublin (IRL) | | | | |
| Share Capital Euro 802,886 | Life Insurance | | FONDIARIA NEDERLAND B.V. 100.00 | 100.00 |
| TIKAL R.E. FUND | Real Estate | 53.18 | MILANO ASSICURAZIONI S.p.A. 16.25 MERIDIANO RISPARMIO S.p.A. 5.72 MERIDIANO EUR S.p.A. 19.11 | 81.12 |
| TRENNO OVEST S.r.l. Turin | | | | |
| Share Capital Euro 10,000 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 100.00 | 85.50 |
| VILLA RAGIONIERI S.r.l. Florence | | | | |
| Share Capital Euro 78,000 | Real Estate | 100.00 | | 100.00 |
| Companies valued at carrying value: | | | | |
| AGRISAI S.r.l. Turin | | | | |
| Share Capital Euro 61,000 | Services | | SAIAGRICOLA S.p.A. 99.00 SAIFIN-SAIFINANZIARIA S.p.A. 1.00 | 97.50 |
| ATA BENESSERE S.r.l. Milan | | | | |
| Share Capital Euro 100,000 | Services | | ATAHOTELS S.p.A. 100.00 | 81.80 |
| ATAHOTELS COMPAGNIA ITALIANA AZIENDE TURISTICHE ALBERGHIERE S.p.A. Milan | | | | |
| Share Capital Euro 28,000,000 | Services | 51.00 | MILANO ASSICURAZIONI S.p.A. 49.00 | 81.80 |
| ATAHOTELS SUISSE S.A. Lugano | | | | |
| Share capital CHF 98,000 | Services | | ATAHOTELS S.p.A. 98.00 | 80.16 |
| DDOR AUTO DOO Novi Sad (Serbia) | | | | |
| Share Capital Euro 9,260.97 | Non-Life Insurance | | DDOR NOVI SAID A.D.O. 100.00 | 99.99 |
| DDOR PENZIJA PLUS AD Novi Sad (Serbia) | | | | |
| Share capital RSD 102.606.250 | Services | | DDOR NOVI SAID A.D.O. 100.00 | 99.99 |
| GLOBAL CARD SERVICE S.r.l. Segrate (Mi) | | | | |
| Share Capital Euro 98,800 | Services | | LIGURIA VITA S.p.A. 51.00 LIGURIA ASSICURAZIONI S.p.A. 44.00 | 59.69 |
| HOTEL TERME DI SAINTVINCENT S.r.l. Aosta | | | | |
| Share Capital Euro 15,300 | Services | | ATAHOTELS S.p.A. 100.00 | 81.80 |

| | Sector | Percentage of control | | Group Holding |
|--|-------------|-----------------------|------------------------------------|---------------|
| | | Direct | Indirect | |
| ITAL H & R S.r.l. Pieve Emanuele (Mi) Share Capital Euro 50,000 | Services | | ITALRESIDENCE S.r.l. 100.00 | 81.80 |
| ITALRESIDENCE S.r.l. Pieve Emanuele (Mi) Share Capital Euro 100,000 | Services | | ATAHOTELS S.p.A. 100.00 | 81.80 |
| TOUR EXECUTIVE S.p.A. Milan Share Capital Euro 500,000 | Services | | ATAHOTELS S.p.A. 100.00 | 81.80 |
| WAVE TECHNOLOGIES* Turin Share Capital Euro 99,500 | Services | 15.00 | | 15.00 |
| ASSOCIATED COMPANIES | | | | |
| Companies valued under the equity method: | | | | |
| A 7 S.r.l. Milan Share Capital Euro 200,000 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 20.00 | 17.10 |
| BORSETTO S.r.l. Turin Share Capital Euro 2,971,782 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 44.93 | 38.42 |
| BUTTERFLY AM S.a.r.l. Luxembourg Share Capital Euro 41,663.75 | Finance | | IMMOBILIARE LOMBARDA S.p.A. 19.99 | 17.09 |
| CITY LIFE S.r.l. Milan Share Capital Euro 150,000 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 26.66 | 22.80 |
| CONSULENZA AZIENDALE PER L'INFORMATICA SCAI S.p.A. Turin Share Capital Euro 1,040,000 | Services | 30.07 | | 30.07 |
| EX VAR S.C.S. Luxembourg Share capital Euro 307,692 | Finance | 18.00 | IMMOBILIARE LOMBARDA S.p.A. 10.00 | 26.55 |
| FIN. PRIV S.r.l. Milan Share Capital Euro 20,000 | Finance | 28.57 | | 28.57 |
| FINADIN S.p.A. Milan Share Capital Euro 100,000,000 | Finance | | SAIFIN-SAIFINANZIARIA S.p.A. 40.00 | 40.00 |
| FONDIARIA-SAI SERVIZI TECNOLOGICI S.r.l. Florence Share Capital Euro 120,000 | Services | 51.00 | | 51.00 |
| GARIBALDI S.C.S. Luxembourg Share Capital Euro 1,001 | Finance | | MILANO ASSICURAZIONI S.p.A. 47.95 | 30.14 |

* Company controlled by UNISERVIZI GRUPPO FONDIARIA pursuant to article 2359, paragraph 1 No. 3, of the civil code, although not having any holding in the company.

| | Sector | Percentage of control | | Group Holding |
|--|-------------|-----------------------|---|---------------|
| | | Direct | Indirect | |
| IGLI S.p.A. Milan | | | | |
| Share Capital Euro 24,120,000 | Finance | | IMMOBILIARE LOMBARDA S.p.A. 33.33 | 28.50 |
| METROPOLIS S.p.A. Florence | | | | |
| Share Capital Euro 1,120,000 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 29.73 | 25.42 |
| PENTA DOMUS S.p.A. Turin | | | | |
| Share Capital Euro 120,000 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 20.00 | 17.10 |
| PROGETTO ALFIERE S.p.A. Rome | | | | |
| Share Capital Euro 120,000 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 19.00 | 16.25 |
| SERVIZI IMMOBILIARI MARTINELLI S.p.A. Cinisello Balsamo (Mi) | | | | |
| Share capital Euro 100,000 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 20.00 | 17.10 |
| SOCIETÀ FUNIVIE DEL PICCOLO SAN BERNARDO S.p.A. La Thuile (AO) | | | | |
| Share capital Euro 9,213,417.5 | Other | | IMMOBILIARE LOMBARDA S.p.A. 27.38 | 23.41 |
| SVILUPPO CENTRO EST S.r.l. Rome | | | | |
| Share Capital Euro 10,000 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 40.00 | 34.20 |
| TRE TORRI CONTRACTOR S.c.r.l. Milan | | | | |
| Share Capital Euro 10,000 | Real Estate | | IMMOBILIARE LOMBARDA S.p.A. 50.00 | 42.75 |
| VALORE IMMOBILIARE S.r.l. Milan | | | | |
| Share Capital Euro 10,000 | Real Estate | | MILANO ASSICURAZIONI S.p.A. 49.00 | 30.80 |
| Companies valued at carrying value: | | | | |
| MB VENTURE CAPITAL FUND I PARTECIPATING COMPANY DI N.V. Amsterdam | | | | |
| Share Capital Euro 50,000 | Other | 30.00 | | 30.00 |
| OPEN MIND INVESTMENTS S.C.A. SICAR * | | | | |
| Luxembourg | | | | |
| Share Capital Euro 820,000 | Finance | 65.85 | | 65.85 |
| QUINTOGEST S.p.A. Milan | | | | |
| Share Capital Euro 3,000,000 | Finance | 49.00 | | 49.00 |
| SOCIETÀ FINANZ PER LE GEST.ASSICURATIVE S.r.l. in liquidation Rome | | | | |
| Share Capital Euro 47,664,600 | Finance | 14.91 | MILANO ASSICURAZIONI S.p.A. 7.50 | 19.62 |
| SOAIMPIANTI - ORGANISMI DI ATTESTAZIONE S.r.l. in liquidation Milan | | | | |
| Share Capital Euro 84,601 | Other | 21.64 | | 21.64 |
| UFFICIO CENTRALE ITALIANO S.c.a.r.l. Milan | | | SIAT S.p.A. 0.10 MILANO ASSICURAZIONI S.p.A. 10.98 | |
| Share Capital Euro 510,000 | Other | 14.14 | LIGURIA ASSICURAZIONI S.p.A. 0.31 | 21.32 |

* the Company is not controlled in that Fondiaria-SAI holds shares without management rights.

PART B - Information on the Consolidated Balance Sheet

Balance Sheet - Assets

1. INTANGIBLE ASSETS

The breakdown is as follows:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|-------------------------|------------------|------------------|-----------------|
| Goodwill | 1,631,860 | 1,640,721 | (8,861) |
| Other intangible assets | 226,229 | 259,277 | (33,048) |
| TOTAL | 1,858,089 | 1,899,998 | (41,909) |

Goodwill

The Goodwill is broken down as follows:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|--|------------------|------------------|----------------|
| Goodwill deriving from the incorporation of La Fondiaria | 504,763 | 504,763 | - |
| Goodwill relating to the consolidation of Milano Assicurazioni | 167,379 | 167,379 | - |
| Other goodwill | 1,545 | 1,884 | (339) |
| Consolidation difference | 958,173 | 966,695 | (8,522) |
| TOTAL | 1,631,860 | 1,640,721 | (8,861) |

The Group verifies the recovery of the goodwill allocated to the Cash Generating Units (CGU's) at least on an annual basis or more frequently when there is an indication of a loss in value.

Reference should be made to the financial statements of 31/12/2008 for the description of the methods utilised for the determination of the recoverable value of the goodwill recorded.

The reduction of Other Goodwill refers to the loss in value in the period of the residual goodwill relating to the Profilo Life portfolio.

The movements in the Consolidation Differences, referring exclusively to the subsidiary DDOR Novi Sad, is due to the exchange effects from the appreciation of the Euro in relation to the Serb Dinar.

In the first half of the year, there were no indications that the goodwill recorded had incurred a reduction in value compared to the existing book value at 31/12/2008, when subjected to impairment test as per IAS 36.

In particular, in relation to the subsidiary Capitalia Assicurazioni, which already underwent an impairment test with a consequent reduction in the value of goodwill at 31/12/2008, the half year results do not compromise the expectations of the plan result.

The change in the product mix by the subsidiary (which is covered in the Directors' Report) does not currently allow a full judgment on the reaching of the plan objectives. However, it should be noted that if the activities of the subsidiary report a fall off or resizing in the second half of 2009, these factors will be fully considered in the impairment test at 31/12/2009.

On the other hand, in relation to the goodwill of the subsidiaries Popolare Vita (to be considered together with Lawrence Life in relation to that illustrated in the Directors' Report), Liguria Assicurazioni and Liguria Vita, DDOR Novi Sad and BPM Vita, the results for the first half of 2009 do not necessitate an impairment test. In this context, the negative half year results of Liguria Assicurazioni are affected by some non-recurring issues which do not affect the valuation of the goodwill recorded in the financial statements.

Other Intangible Assets

The other intangible assets amount to Euro 226,229 thousand (Euro 259,277 thousand at 31/12/2008) and are composed of:

| (in Euro thousands) | Gross carrying value | Amortisation and impairment | Net value 30/06/2009 | Net value 31/12/2008 |
|-------------------------------|----------------------|-----------------------------|-------------------------|-------------------------|
| Studies and research expenses | 223,375 | (190,942) | 32,433 | 34,167 |
| Utilisation rights | 14,305 | (8,923) | 5,382 | 3,698 |
| Other intangible assets | 353,254 | (164,840) | 188,414 | 221,412 |
| TOTAL | 590,934 | (364,705) | 226,229 | 259,277 |

None of the above intangible assets were generated internally.

The above intangible assets have a definite useful life and are therefore amortised over their duration. The expenses for research studies relate to the capitalisation in 2009, and in previous years, of the costs incurred for the preparation of IT technology and applications of a long-term nature.

They are amortised over a period of three or five years based on the characteristics and useful life of the assets.

Following verifications made, there was no impairment in the values recorded.

The other intangible assets principally include the values relating to the client portfolios acquired by some subsidiary companies (Value in Force and VOBAs) recorded upon acquisition. The decrease on the net figure at 31/12/2008 is due to the amortisation in the period, taking account of the exchange effect for the values relating to Banca Gesfid and DDOR.

The data relating to the client portfolios acquired are as follows:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|------------------------------|----------------|----------------|-----------------|
| Bipiemme Vita S.p.A. | 76,919 | 87,837 | (10,918) |
| Liguria Assicurazioni S.p.A. | 27,794 | 31,341 | (3,547) |
| Banca Gesfid S.A. | 16,052 | 17,600 | (1,548) |
| Popolare Vita S.p.A. | 26,100 | 35,767 | (9,667) |
| DDOR Novi Sad ADO | 30,319 | 36,330 | (6,011) |
| TOTAL | 177,184 | 208,875 | (31,691) |

2. PROPERTY, PLANT & EQUIPMENT

The total amount of the account is Euro 1,261,433 thousand (Euro 1,244,217 thousand at 31/12/2008), an increase of Euro 17 thousand.

The breakdown of the tangible fixed assets is as follows:

| (in Euro thousands) | Property | | Land | | Other fixed assets | | Total | |
|-----------------------------|----------------|----------------|---------------|---------------|--------------------|----------------|------------------|------------------|
| | 30/06/2009 | 31/12/2008 | 30/06/2009 | 31/12/2008 | 30/06/2009 | 31/12/2008 | 30/06/2009 | 31/12/2008 |
| Gross carrying value | 1,074,809 | 1,064,993 | 79,205 | 81,046 | 282,373 | 350,834 | 1,436,387 | 1,496,873 |
| Depreciation and impairment | (89,074) | (88,170) | - | - | (85,880) | (164,486) | (174,954) | (252,656) |
| Net value | 985,735 | 976,823 | 79,205 | 81,046 | 196,493 | 186,348 | 1,261,433 | 1,244,217 |

The account relating to land represents the indefinite useful life component separated from the buildings. The separation of the land is made based on specific independent expert's valuations at the transition date (January 1, 2004) while the subsequent acquisitions are made at the acquisition date.

The buildings included under property, plant and equipment are those utilised by the business operations (so-called buildings for direct use). These buildings are recorded at cost and are depreciated over their useful lives on a component basis.

The account also include the buildings held by the Group in Immobiliare Lombarda which were considered inventories and therefore valued in accordance with IAS 2.

Their contribution to the consolidation amounts to Euro 759 million (Euro 745 million at 31/12/2008).

No building of the Group within this account is subject to restrictions on ownership, nor has any significant amounts been recorded in the income statement for reductions in value, losses, sales or damages.

The residual “other fixed assets” prevalently relates to assets of the Group utilised in the exercise of its activities, such as furnishings, plant and office equipment, as well as the final inventory of the companies operating in the agricultural sector valued in accordance with IAS 2. They include the down-payments by the subsidiary Milano Assicurazioni in relation to real estate operations regarding the areas in Milan - via Confalonieri-via de Castillia (Lunetta dell’Isola) and in Rome - via Fiorentini, for an amount of Euro 135 million at 30/06/2009 (Euro 125 million at 31/12/2008.)

3. TECHNICAL RESERVES – REINSURANCE AMOUNT

The total amount of the account is Euro 846,776 thousand (Euro 833,548 thousand at 31/12/2008), decreasing by Euro 13,228 thousand. The breakdown of the account is as follows:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|---|----------------|----------------|---------------|
| Non-life division technical reserves attributed to reinsurers | 653,553 | 636,655 | 16,898 |
| Life division technical reserves attributed to reinsurers | 193,223 | 196,893 | (3,670) |
| Class D reserves attributed to reinsurers | - | - | - |
| TOTAL | 846,776 | 833,548 | 13,228 |

Of this amount, Euro 588 million refers to reinsurance (Euro 580 million at 31/12/2008), while Euro 259 million refers to reserve cessions (Euro 254 million 31/12/2008).

4. INVESTMENTS

The breakdown is as follows:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|--|-------------------|-------------------|------------------|
| Investment property | 2,612,126 | 2,459,751 | 152,375 |
| Investments in subsidiaries, associates and joint ventures | 330,867 | 292,879 | 37,988 |
| Investments held-to-maturity | 907,374 | 845,789 | 61,585 |
| Loans and receivables | 2,783,029 | 1,776,024 | 1,007,005 |
| Financial assets available-for-sale | 19,675,414 | 19,982,715 | (307,301) |
| Financial assets at fair value recorded through profit or loss | 9,289,076 | 8,080,675 | 1,208,401 |
| TOTAL | 35,597,886 | 33,437,833 | 2,160,053 |

Investment property

The account includes all the buildings held by the Group for rental or for capital appreciation.

The investment properties are recorded at purchase cost in accordance with IAS 16 (which IAS 40 refers to in the case of adoption of the cost model): for accounting purposes, the Group has separated the value of the land from the value of the buildings held, considering that this component, having an indefinite useful life, must not be depreciated.

The separation of the land component from the buildings is made based on updated expert valuations at the date of transition to the international accounting standards and, for the acquisitions subsequent to January 1, 2004, on the basis of expert independent valuations prepared at the moment of purchase.

The part of the property referring to buildings is depreciated systematically with regard to the useful life of the components therein. Of the significant components, those relating to the plant of the building are depreciated separately.

The composition of the investment property and the movement in the period is shown below.

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|-----------------------------|------------------|------------------|----------------|
| Gross carrying value | 2,939,906 | 2,759,251 | 180,655 |
| Depreciation and impairment | (327,780) | (299,500) | (28,280) |
| Net value | 2,612,126 | 2,459,751 | 152,375 |

The increase in the first half year is mainly due to the purchases, carried out by the subsidiaries Meridiano EUR (Milano – Via Crespi, 57 for Euro 55.8 million), Milano (Turin – Strada del Drosso for Euro 9.3 million) and by the newly incorporated Athens R.E. Fund (Grande Albergo Capotaormina for Euro 21.2 million and Hotel Terme Petriolo sito in Civitella Paganica for Euro 35.1 million). In particular, the latter two, purchased by the Immobiliare Lombarda Group constitute intercompany operations and resulted in the reclassification of the historical cost of the Group from Tangible Fixed Assets to Investment Property.

The further increase is due to the improvement expenditures in the half year.

During the year, the rental income from investment property amounted to approx. Euro 51 million (Euro 48 million in the first half of 2008).

There are no significant limits to the realisation of the investment property due to restrictions of a legal, contractual or any other nature.

Investments in subsidiaries, associates and joint ventures

The account includes the book value of some subsidiary investments which, given the insignificance in relation to the size and nature of the activities undertaken, are not significant in order to ensure the reliability of the present interim accounts.

The Group investments in associated companies are measured under the net equity method.

Reference should be made to the attachment in relation to the details of the investments in non-consolidated subsidiaries.

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|---|----------------|----------------|---------------|
| Subsidiary companies | 27,753 | 2,703 | 25,050 |
| Associated companies and joint ventures | 303,114 | 290,176 | 12,938 |
| TOTAL | 330,867 | 292,879 | 37,988 |

The increase in values of the subsidiary companies is due to the purchase of the shareholding in Atahotels by the Parent Company and by the subsidiary Milano Assicurazioni in May. As described in greater detail previously, the shareholding is valued at cost due to the short amount of time since the purchase and the fact that, as the newly purchased company does not have to prepare half-year financial statements, not all of the information necessary for the full consolidation is available.

The most significant investments in associated companies are those held by the Parent Company in the associated company Fin. Priv. S.r.l. for Euro 34 million and by the subsidiary Saifin-Saifinanziaria in the associated company Finadin S.p.A. for Euro 43 million, as well as that held by Immobiliare Lombarda in IGLI S.p.A., City Life S.r.l., Butterfly AM S.a.r.l. and Progetto Alfiere S.p.A. (respectively Euro 113 million, Euro 53 million, Euro 9 million and Euro 6 million).

The adjustments to values recorded in the income statement in the half-year due to the valuation of the investments in associated companies amounted to Euro - 3.1 million, principally relating to Citylife (Euro -2.6 million), Garibaldi S.C.S. (Euro -1.4 million) and Butterfly A.M. (Euro -1.2 million). The contribution of IGLI is positive for Euro 1.5 million.

Loans and receivables

The account amounts to Euro 2,783,029 thousand (Euro 1,776,024 thousand at 31/12/2008) which has increased due to the reclassification of debt securities from Assets available-for-sale to Loans and receivables. This reclassification, amounting to Euro 804,716 thousand (book value at 1/1/2009), relates to financial debt instruments with subordination clauses, issued principally by corporate parties. As shown in the previous quarterly report, such is permitted under EU Reg. 1725/08 in relation to the reclassification of financial assets. The breakdown of the account is as follows:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|---|------------------|------------------|------------------|
| Bank and interbank receivables | 688,875 | 540,066 | 148,809 |
| Debt securities | 1,003,650 | 115,432 | 888,218 |
| Time deposits and repurchases | 314,211 | 297,229 | 16,982 |
| Loans on life policies | 63,618 | 64,280 | (662) |
| Deposits held by reinsurers | 29,264 | 31,045 | (1,781) |
| Receivables from sub-agents for indemnities paid to agents terminated | 210,802 | 219,354 | (8,552) |
| Other loans and receivables | 472,609 | 508,618 | (36,009) |
| TOTAL | 2,783,029 | 1,776,024 | 1,007,005 |

Bank receivables for interbank deposits and bank clients includes the receivable of the consolidated BancaSai and Banca Gesfid from other credit institutions for deposits of Euro 325,665 thousand and the receivable from bank clients of Euro 363,210 thousand.

The time deposit operations refer to open operations of the Parent Company and the subsidiaries Milano Assicurazioni and SAI Mercati Mobiliari SIM.

The receivables from sub-agents for the recovery of indemnities paid to agents are recorded in this account in accordance with the requirements of ISVAP Regulation No. 7/2007 and in consideration of their interest bearing nature, in favour of the Group.

The other loans and receivables also include the receivable of Euro 173 million against the forward sale of Intesa SanPaolo shares owned by the Parent Company through the mandatory convertible exclusively in Intesa SanPaolo shares, issued by the subsidiary Sainternational in September 2004.

This receivable was discounted, considering the time period of the maturity of the underlying forward sale of the mandatory issue, with a positive effect on the income statement for the period of Euro 2.6 million.

The other loans and receivables comprise Euro 23.9 million relating to share capital loans granted by Immobiliare Lombarda to its associated companies. There is also a non secured loan to S.c.s. Ex Var of Euro 23.2 million granted for Euro 14.9 million by the Parent Company and for Euro 8.3 million by the subsidiary Immobiliare Lombarda. The account also includes Euro 39.2 million of loans provided to the associated Company Garibaldi s.c.s. related to the "Garibaldi Repubblica" real estate project at Milan. Finally, the account includes Euro 205.9 million relating to the consumer receivables of the subsidiary Finitalia from its customers.

Available-for-sale financial assets

The available-for-sale financial assets include bonds and equity securities, as well as investment unit funds, not otherwise classified.

The financial assets are divided as follows:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|-----------------------------|-------------------|-------------------|------------------|
| Equity securities | 1,474,372 | 1,541,909 | (67,537) |
| Fund units | 895,497 | 859,797 | 35,700 |
| Debt securities | 17,302,694 | 17,578,144 | (275,450) |
| Other financial investments | 2,851 | 2,865 | (14) |
| TOTAL | 19,675,414 | 19,982,715 | (307,301) |

The equity securities include listed securities of Euro 1,338 million, while the debt securities listed amount to Euro 17,143 million.

The reduction of the AFS investments, among other matters, relate to the already stated transfer of debt securities to the account “Loans and Receivables”, as well as the adjustments in the period to fair value.

Of the equity securities, we highlight the holding of the Group in the Bank of Italy of 2%. This investment is measured at cost in the absence of an active market and given the wide variability of the possible estimates in value of this investment.

The book value of the quoted financial instruments is adjusted to the stock exchange price on the last day of the period.

Overall the measurement at fair value had a negative impact for the Group share before tax of Euro 36 million (Euro 457.8 million in 2008) on the equity securities and investment funds and a positive effect of Euro 204 million (compared to a negative effect of Euro 251.7 million in 2008) on the debt securities.

In relation to the reduction in values of the AFS securities recorded to the income statement in the period, the application of the criteria under the “impairment policy” of the Group (and described in detail in the 2008 annual accounts) led to a valuation loss of Euro 64.6 million (in the first half of 2008 no impairment was recorded to the income statement). This amount refers for Euro 6.2 million to debt securities, Euro 40.2 million to equity securities and finally Euro 18.2 million to Investment Funds.

In this context, for some strategic and/or significant investments for which automatic impairment tests are carried out, as the situation at 30/06/2009 does not show an expected prolonged or significant decrease in the stock exchange values, it is therefore not considered necessary to record the negative AFS reserve to the income statement, in that the valuations, already carried out to support the book values at 31/12/2008, updated with the available data of the investments for the first half of 2009, did not justify such a recording.

These analyses were however carried out following the verification of the existence of one of the requirements under paragraph 59 of IAS 39, which also in this case did not indicate any impairment elements at that date.

Finally we note that any amendments to IAS 39, which may be applied retrospectively to the beginning of 2009, may require the impairment only of financial instruments valued at amortised cost.

Financial assets at Fair Value recorded through profit or loss

The breakdown is as follows:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|-----------------------------|------------------|------------------|------------------|
| Equity securities | 88,836 | 74,888 | 13,948 |
| Fund units | 956,734 | 954,633 | 2,101 |
| Debt securities | 7,269,979 | 6,600,852 | 669,127 |
| Other financial investments | 973,527 | 450,302 | 523,225 |
| TOTAL | 9,289,076 | 8,080,675 | 1,208,401 |

The component relating to the financial assets designated at fair value through profit or loss amounted to Euro 9,108 million and these include the investments where the risk is borne by the policyholders and deriving from the management of pension funds for Euro 8,942 million (Euro 7,647 million at 31/12/2008).

Their fair value was determined using the stock exchange prices on the last day of the period as a benchmark reference.

5. OTHER RECEIVABLES

The breakdown of the account is as follows:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|--|------------------|------------------|------------------|
| Receivables from direct insurance operations | 1,663,399 | 1,861,642 | (198,243) |
| Receivables from reinsurance operations | 130,166 | 138,325 | (8,159) |
| Other receivables | 508,547 | 520,039 | (11,492) |
| TOTAL | 2,302,112 | 2,520,006 | (217,894) |

The Group considers that the carrying value of trade and other receivables approximates their fair value. The trade receivables are non-interest bearing and are generally payable within 90 days.

The composition of the receivables deriving from direct insurance operations is as follows.

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|---|------------------|------------------|------------------|
| Receivables from policyholders for premiums in year | 681,628 | 876,356 | (194,728) |
| Receivables from policyholders for premiums in previous years | 96,307 | 25,428 | 70,879 |
| Receivables from insurance brokers | 597,838 | 696,895 | (99,057) |
| Receivables from insurance companies | 199,906 | 184,404 | 15,502 |
| Amounts to be recovered from policyholders and third parties | 87,720 | 78,559 | 9,161 |
| TOTAL | 1,663,399 | 1,861,642 | (198,243) |

The receivables from reinsurance operations include Euro 110,762 thousand of receivables from insurance and reinsurance companies for reinsurance operations and Euro 19,403 thousand from reinsurance brokers.

The other receivables include:

- trade receivables of Euro 133 million principally comprising receivables from clients;
- receivables from the Tax Administration of Euro 157 million, prevalently relating to tax reimbursement requests and VAT credits, of which Euro 8 million relates to receivables of the Parent Company with the Tuscan Tax Office relating to settlements in order to accelerate and optimise the receipt of some tax reimbursements requested, relating to positions already closed;

- Euro 18 million for advances paid by the subsidiary Immobiliare Lombarda to suppliers for real estate projects to be undertaken on constructible areas;
- Euro 11 million of bank receivables for operations by the subsidiary Finitalia;
- Euro 8 million of receivables of the subsidiary Popolare Vita for the management of Unit-Linked policies;
- Euro 8 million of the receivables of the subsidiary SAI SIM for deposits relating to derivative operations.

With reference to the receivables from policyholders for premiums, agents and other brokers, as well as insurance and reinsurance companies, the Group does not have significant concentrations of credit risks, as the credit exposure is divided among a large number of counterparties and clients.

6. OTHER ASSETS

The total amount of the account is Euro 812,533 thousand (Euro 939,393 thousand at 31/12/2008). The account decreased by Euro 126,860 thousand compared to the previous year.

The breakdown of the account is as follows:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|---|----------------|----------------|------------------|
| Non-current assets or of a discontinued group held for sale | 1,366 | 7,622 | (6,256) |
| Deferred acquisition costs | 187,056 | 226,969 | (39,913) |
| Deferred tax assets | 139,519 | 117,314 | 22,205 |
| Current tax assets | 323,426 | 351,399 | (27,973) |
| Other assets | 161,166 | 236,089 | (74,923) |
| TOTAL | 812,533 | 939,393 | (126,860) |

Non-current assets or of a discontinued group held for sale

At June 30, 2009, the discontinued assets amounted to Euro 1,366 thousand (Euro 7,622 thousand at December 31, 2008).

The account refers to the building located in Pescara, Via Salaria Vecchia 119 and 162 held by Liguria Assicurazioni, for which a preliminary sales contract was signed with the buyers.

It is estimated that the payment of the sale is higher than the book value of the asset and, consequently, no write-down was made on the classification of this asset as held for sale.

Deferred acquisition costs

The deferred acquisition costs, amounting to Euro 187,056 thousand (Euro 226,969 thousand at 31/12/2008), principally refer to the acquisition commissions to be amortised on the long-term contracts. These amounts are deferred and amortised over seven years for the Non-Life classes and six years for the Life classes in accordance with analysis on the average duration of the contracts in portfolio. The deferment is based on the cost accrual principles.

The decrease of the deferred acquisition costs is due to the lower long-term obligations on Non-Life contracts which are substantially in run-off: the income statement impact in the Non-Life Classes was a loss of Euro 34,546 thousand (loss of Euro 40,833 thousand in the first half of 2008).

Deferred tax assets

The account amounts to Euro 139,519 thousand (Euro 117,314 thousand at 31/12/2008) and is calculated on the total amount of the temporary differences between the book value of the assets and liabilities in the accounts and the respective tax value according to the “balance sheet liability method” as per IAS 12 in relation to the probability of their recovery related to the capacity to generate assessable taxable income in the future.

The balance at the end of the period takes into account the compensation, where possible, of the same tax assets with the corresponding deferred tax liabilities in accordance with IAS 12.

Current tax assets

The current tax assets, amounting to Euro 323,426 thousand (Euro 351,399 thousand at 31/12/2008), refer to the financial receivables for payments on account, withholding taxes and income tax credits, before compensation, where permitted, of the current tax liabilities in accordance with IAS 12.

The account also includes the amounts paid on account pursuant to article 1, paragraph 2 of Legislative Decree No. 209/02, converted into article 1 of Law 265/2002, as supplemented. This is in accordance with Isvap Regulation No. 7/2007, even though not applicable in accordance with IAS 12 as it is not related to taxes on income.

Other assets

The other assets amount to Euro 161,166 thousand (Euro 236,089 thousand at 31/12/2008) and include deferred commissions on investment contracts of life policyholders for Euro 38 million, other accounts for Euro 55 million, indemnities paid to agents awaiting application of recovery for Euro 17 million and policy indemnities of Euro 5 million.

The account also includes bills in transit of Euro 2 million, bills held of Euro 3 million, bills to be cleared of Euro 1 million and Euro 2 million relating to fiscal withholding taxes on interest matured on bank current accounts.

A residual Euro 2 million relates to inventory from Retirement Home subsidiaries of the Group.

7. CASH AND CASH EQUIVALENTS

The account amounts to Euro 791,930 thousand (Euro 760,072 thousand at 31/12/2008).

The account includes the liquidity held by the Group and deposits and bank current account with maturity less than 15 days. They include highly liquid assets (cash and deposits on demand) and cash equivalents or rather short term financial investments, readily convertible into known cash amounts and which are not subject to variations in value.

The book value of these assets closely approximates their fair value. The interest on deposits and bank current accounts are remunerated at fixed or variable interest rates which mature and/or are credited on a quarterly basis or in relation to the lower duration of the restrictions on the deposits.

Balance Sheet – Shareholders’ Equity & Liabilities

1. SHAREHOLDERS’ EQUITY

The consolidated net equity, amounting to Euro 3,756,557 thousand, includes the result for the period and minority share, and decreased by Euro 138,251 thousand compared to 31/12/2008.

The movements in the year are shown below:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|---|------------------|------------------|------------------|
| Group Net Equity | 2,764,857 | 2,934,779 | (169,922) |
| Share Capital | 167,044 | 167,044 | - |
| Other equity instruments | - | - | - |
| Capital reserves | 209,947 | 209,947 | - |
| Retained earnings and other reserves | 3,014,861 | 3,069,434 | (54,573) |
| <i>Treasury shares</i> | (321,933) | (302,573) | (19,360) |
| Translation reserve | (1,217) | 4,043 | (5,260) |
| Profit or loss on available-for-sale financial assets | (371,968) | (350,020) | (21,948) |
| Other gains and losses recorded directly in equity | 47,344 | 49,495 | (2,151) |
| Group profit | 20,779 | 87,409 | (66,630) |
| Minority interest shareholders’ equity | 991,700 | 960,029 | 31,671 |
| Minority capital and reserves | 1,075,906 | 1,054,232 | 21,674 |
| Gains and losses recorded directly in equity | (95,826) | (97,558) | 1,732 |
| Minority interest profit | 11,620 | 3,355 | 8,265 |
| TOTAL | 3,756,557 | 3,894,808 | (138,251) |

The change in the consolidated net equity is shown in the specific table.

The disclosures required by IAS 1.76 A is provided below:

| | Ordinary 30/06/2009 | Savings 30/06/2009 | Ordinary 31/12/2008 | Savings 31/12/2008 |
|-------------------------|------------------------|-----------------------|------------------------|-----------------------|
| Number of shares | 124,482,490 | 42,561,222 | 124,482,490 | 42,561,222 |

The table below shows the movements of the share capital of the Parent Company Fondiaria-SAI in the first half of the year.

| | Ordinary | Savings | Total |
|---|-------------|------------|-------------|
| Shares existing at 01/01/2009 | 124,482,490 | 42,561,222 | 167,043,712 |
| Treasury shares (-) | 12,782,557 | - | 12,782,557 |
| Shares outstanding: balance at 01/01/2009 | 111,699,933 | 42,561,222 | 154,261,155 |
| <u>Increases:</u> | | | |
| Sale of treasury shares | - | - | - |
| Conversion stock option | - | - | - |
| <u>Decreases:</u> | | | |
| Acquisition of treasury shares | 1,600,000 | - | 1,600,000 |
| Shares outstanding: balance at 30/06/2009 | 110,099,933 | 42,561,222 | 152,661,155 |

The ordinary and savings shares issued both have a nominal value of Euro 1.

The capital reserves, unchanged on 31/12/2008 amounting to Euro 209,947 thousand, refers to the share premium reserve recorded in the financial statements of the Parent Company.

Nature and purpose of the other reserves

The profit reserves and the other equity reserves include the other net equity reserves of the Parent Company, which have increased following the allocation of the result for 2008 and the reserves from the consolidation.

The minority interest shareholders' equity, included in the result, increased by Euro 31.7 million. This rise follows the share capital increase in the subsidiary Popolare Vita and includes the contribution of minority interests.

Treasury shares

The account amounts to Euro 321,933 thousand (Euro 302,573 thousand at 31/12/2008). This account includes the book value of the instruments representative of the capital of the Parent Company Fondiaria-SAI for Euro 64.3 million while the residual amount refers to the positions held by the subsidiaries Milano Assicurazioni S.p.A. (Euro 229.3 million) and Sai Holding S.p.A. (Euro 28.3 million).

The account is negative in accordance with the provisions of IAS 32. Any sale/purchases operations undertaken during the period do not result in profits or losses recorded in the income statement.

Reserve for net exchange differences

The balance is a negative amount of Euro 1,217 thousand (Euro 4,043 thousand at 31/12/2008) and includes the translation differences deriving from the conversion of the foreign subsidiaries financial statements into Euro.

Profit or loss on available-for-sale financial assets

The account, amounting to Euro -371,968 thousand (Euro -350,020 thousand at 31/12/2008), includes the gains and losses deriving from the valuation of the available-for-sale financial assets. This is shown net of the related deferred tax liability, both for the part attributable to the Life policyholders and allocated to the insurance liabilities.

Other gains and losses in the year recorded directly in equity

The account amounts to Euro 47,344 thousand (Euro 49,495 thousand in the first half of 2008). This includes the reversal of gains realised on subsidiaries for Euro 53.6 million. In fact, the transactions of the shares of subsidiaries and which do not result in the loss or acquisition of control do not impact the consolidated results as they are considered only as modifications in the ownership structure of the Group. An exception are the results in the separated management of the Life Division.

These include the effect of the valuation of the associated companies for Euro 2.1 million as well as losses on cash flow hedging instruments for Euro 8.3 million, revaluations of property, plant and equipment for Euro 9 million, while the residual substantially relates to the direct recording under equity of the gains and losses from actuarial valuations, in accordance with IAS 19.

2. PROVISIONS

The account amounts to Euro 299,131 thousand (Euro 463,037 thousand at 31/12/2008) and comprises:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|-------------------------------|----------------|----------------|------------------|
| Provisions of a fiscal nature | 54 | 54 | - |
| Other provisions | 299,077 | 462,983 | (163,906) |
| TOTAL | 299,131 | 463,037 | (163,906) |

The other provisions include amounts for which uncertainty exists as to the payment date or the amount of future expenses required to comply with the obligation.

In the half year, the provision decreased by Euro 164 million, of which Euro 150 million for restructuring charges of the index-linked products issued by the subsidiary Popolare Vita having underlying Lehman Brothers securities. The amounts of these charges became certain only in the present period. The counter-entry to this amount is the write-down to the recovery rate estimated by the Group of the Lehman securities to service the above-mentioned index policies, whose effects were already prudently recorded in 2008 through the accrual in the afore-mentioned provision. The other provisions have not changed significantly compared to the composition of the provision at the end of the previous year. The movements in the period relate to the normal operational changes in the first half of the year.

3. TECHNICAL RESERVES

These amount to Euro 31,375,729 and increased by Euro 2,054,193 thousand on 31/12/2008.

The breakdown of the technical reserves is as follows:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|--|-------------------|-------------------|------------------|
| Non-Life division technical reserves | 11,272,710 | 11,281,611 | (8,901) |
| Life technical reserves | 14,558,072 | 13,794,913 | 763,159 |
| Technical reserves where investment risk borne by policyholders and from pension fund management | 5,544,947 | 4,245,012 | 1,299,935 |
| TOTAL TECHNICAL RESERVES | 31,375,729 | 29,321,536 | 2,054,193 |

The technical reserves of the Non-Life Division include the unearned premium reserve of Euro 2,741 million and the claims reserve of Euro 8,518 million. The residual, amounting to Euro 14 million, relates to the other technical reserves including the ageing reserve.

The life technical reserves includes the actuarial reserve of Euro 14,461 million, the reserves for sums to be paid of Euro 182 million, as well as the other technical reserves, negative for Euro 86 million. These latter include deferred liabilities against contracts with discretionary profit participation for Euro -208 million (Euro -437 million at 31/12/2008).

In relation to the losses, these were only considered as adjustments to the technical reserves where concerning the Separated Management whose returns are greater than the guaranteed minimum.

The significant increase in the Technical Reserves of the Life segment is due to the increase in business in the sector.

4. FINANCIAL LIABILITIES

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|---|------------------|------------------|----------------|
| Financial liabilities recorded at fair value through profit or loss | 3,435,279 | 3,454,262 | (18,983) |
| Other financial liabilities | 2,979,948 | 2,808,946 | 171,002 |
| Total | 6,415,227 | 6,263,208 | 152,019 |

The Financial liabilities recorded at fair value through the profit or loss are:

Financial liabilities held for trading

The account amounts to Euro 38,105 thousand (Euro 52,343 thousand at 31/12/2008). The account refers for Euro 31,720 thousand to the equity sales operations of SAI Mercati Mobiliari.

Financial liabilities designated at Fair Value recorded through profit or loss

The account amounts to Euro 3,397,174 thousand (Euro 3,401,919 thousand at 31/12/2008). In accordance with IAS 39, the account includes the investment contracts not in application of IFRS 4 as they do not have a significant insurance risk and, therefore, accounted in accordance with the Deposit Accounting method. The account amounts to Euro 3,396,284 thousand (Euro 3,400,976 thousand at 31/12/2008).

Other financial liabilities

The account amounts to Euro 2,979,948 thousand (Euro 2,808,946 thousand at 31/12/2008).

The account includes the financial liabilities defined and governed by IAS 39 not included in the category “Financial liabilities at fair value through profit or loss”.

They include deposits as guarantee in relation to risks ceded in reinsurance of Euro 298,085 thousand (Euro 292,767 thousand at 31/12/2008) and sub-ordinate payables of Euro 1,048,840 thousand (Euro 1,050,497 thousand at 31/12/2008).

The residual payables, amounting to Euro 1,633 million (Euro 1,466 million at 31/12/2008) include the following significant amounts, already commented upon in the Directors’ Report on Operations:

- Euro 251 million relating to the senior loan agreed by Fondiaria-SAI;
- Euro 179 million refers to the bank debt of the Immobiliare Lombarda Group;
- Euro 187 million relates to the loan signed by the subsidiary Sainternational, with maturity in 2010;
- Euro 188 million refers to the loan granted to the Tikal R.E. Closed Real Estate Fund by Banca IntesaSanPaolo;
- Euro 32 million refers to the loans of the subsidiary Finitalia and Euro 16 million of bonds issued by BancaSai.

The account also includes customer deposits at the subsidiaries BancaSai and Banca Gesfid of Euro 520,507 thousand (Euro 403,618 thousand at 31/12/2008), Euro 13,946 thousand (Euro 16,001 thousand at 31/12/2008) relating to investment contracts agreed with life policyholders valued in accordance with the amortised cost method and finally Euro 158,949 thousand (Euro 118,427 thousand at 31/12/2008) relating to time deposits on loans agreed by the subsidiary Sai Mercati Mobiliari.

5. PAYABLES

The account amounts to Euro 1,032,396 thousand and is comprised of:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|---|------------------|----------------|-----------------|
| Payables from direct insurance operations | 216,782 | 120,625 | 96,157 |
| Payables from reinsurance operations | 92,638 | 89,170 | 3,468 |
| Other payables | 722,976 | 748,406 | (25,430) |
| Total | 1,032,396 | 958,201 | (74,195) |

With reference to the payables deriving from the direct insurance operations, they consist of:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|---|----------------|----------------|---------------|
| Payables to insurance brokers | 188,241 | 99,384 | 88,857 |
| Payables to insurance companies | 23,786 | 17,824 | 5,962 |
| Payables for policyholder deposits | 3,424 | 848 | 2,576 |
| Payables for guarantee provisions for policyholders | 1,331 | 2,569 | (1,238) |
| Total | 216,782 | 120,625 | 96,157 |

The payables deriving from reinsurance operations refer to reinsurance companies of Euro 80,338 thousand and Euro 12,300 thousand to reinsurance brokers.

The breakdown of the other payables is shown below:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|---|----------------|----------------|-----------------|
| Trade payables | 247,422 | 228,794 | 18,628 |
| Employee leaving indemnity | 82,026 | 83,299 | (1,273) |
| Policyholders' tax due | 164,734 | 106,369 | 58,365 |
| Other taxes due | 31,435 | 83,120 | (51,685) |
| Due to social security and welfare institutions | 22,111 | 21,987 | 124 |
| Other payables | 175,248 | 224,837 | (49,589) |
| Total | 722,976 | 748,406 | (25,430) |

Employee leaving indemnity

For the purposes of the actuarial valuation of the liability related to the Employee Leaving Indemnity in accordance with IAS 19, and applying the indications of the Actuarial Body, ABI and Assirevi, the differing cases were divided as follows:

- Group Companies with less than 50 employees:
 - the valuation of the liability was made in accordance with the traditional actuarial criteria, already utilised in the past;

- Group Companies with 50 or more employees;
 - the quota of the Employee Leaving Indemnity matured at 1/1/2007 as a defined contribution plan, both in the case of the option for the complementary pension and in the case of the allocation to the INPS Treasury Fund were not calculated in accordance with actuarial criteria.

The movements in the period are shown below:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 |
|--|---------------|---------------|
| Balance at beginning of year | 83,299 | 85,316 |
| Provisions to income statement for Interest Cost | 1,090 | 3,755 |
| Provisions to income statement for Service Cost | 103 | 251 |
| Actuarial Gains/Losses | 725 | 4,588 |
| Utilisations | (3,610) | (12,257) |
| Changes in the consolidation scope | 419 | 1,646 |
| Balance at end of period | 82,026 | 83,299 |

Health assistance post service

The principal statistical-actuarial and financial assumptions utilised for the determination of the Health Assistance of employees as per IAS 19 is not substantially different from that utilised in the preparation of the annual accounts.

Reference should therefore be made to the 2008 annual accounts for the numeric assumptions made.

At 30/06/2009, the liabilities related to the health coverage for Executives amounted to Euro 31,678 thousand (Euro 31,866 thousand at 31/12/2008).

6. OTHER LIABILITIES

The breakdown is as follows:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|---|----------------|----------------|------------------|
| Liabilities in a discontinued group held for sale | - | - | - |
| Deferred tax liabilities | 175,905 | 249,586 | (73,681) |
| Current tax liabilities | 8,453 | 8,056 | 397 |
| Other liabilities | 407,361 | 476,635 | (69,274) |
| Total | 591,719 | 734,277 | (142,558) |

Deferred tax liabilities

The deferred tax liabilities, amounting to Euro 175,905 thousand, include all the temporary tax differences, relating to balance sheet and income statement accounts, which will reverse in future years.

The balance takes into account the compensation, where permitted, with the corresponding deferred tax asset in accordance with IAS 12.

Current tax liabilities

The account amounts to Euro 8,453 thousand (Euro 8,056 thousand at 31/12/2008) and refers to the total income taxes accrued by the Group at the period-end, net of the current tax asset compensated in accordance with IAS 12.

The income taxes are calculated applying the respective income tax rates, determined based on prudent estimates of the nominal tax rates applied for the full year results.

Other liabilities

The Other liabilities amount to Euro 407,361 thousand (Euro 476,635 thousand at 31/12/2008) and comprise:

| (in Euro thousands) | 30/06/2009 | 31/12/2008 | Changes |
|--|----------------|----------------|-----------------|
| Commissions on premium collection | 112,377 | 133,648 | (21,271) |
| Deferred commission expenses for life investment management services | 54,160 | 69,173 | (15,013) |
| Cheques issued against claims and life sums collected by the beneficiaries after June 30, 2009 | 47,012 | 35,733 | (11,279) |
| Transitory reinsurance accounts | 17 | 950 | (933) |
| Other liabilities | 193,795 | 237,131 | (43,336) |
| TOTAL | 407,361 | 476,635 | (69,274) |

The sub-account “other liabilities” includes accruals for the period of Euro 56 million, bills to be debited of Euro 52 million, over-commissions of Euro 56 million and premiums to be repaid to reinsurers to reintegrate guarantees for Euro 7 million.

There is also a residual amount of Euro 3 million for the payable which the subsidiary Immobiliare Lombarda estimated against charges due for the presentation of the request pursuant to law 724/94 which permits the change of use of some properties.

PART C - Information on the Income Statement

NET PREMIUMS

The net premiums consolidated amount to Euro 6,216,493 thousand (Euro 5,709,572 thousand in the first half of 2008).

Total Group gross premiums written amounted to Euro 6,449,083 thousand (up 8.82% on the previous half-year), as follows:

| (in Euro thousands) | 30/06/2009 | 30/06/2008 | Changes | 31/12/2008 |
|---------------------------------|------------------|------------------|----------------|-------------------|
| Gross Life premiums written | 2,743,507 | 2,128,252 | 615,255 | 4,208,340 |
| Gross Non-Life premiums written | 3,705,576 | 3,798,350 | (92,774) | 7,298,083 |
| Change gross premium reserve | 46,698 | 60,803 | (14,105) | 13,337 |
| Total Non-Life Division | 3,658,878 | 3,737,547 | (78,669) | 7,284,746 |
| Gross premiums written | 6,402,385 | 5,865,799 | 536,586 | 11,493,086 |

The account “gross premiums written” does not include the cancellation of securities issued in previous years, which were recorded in the account “Other costs”. The above amounts are net of inter-company reinsurance.

In relation to the breakdown of the gross premiums written among the different classes in the accounts, the division between direct and indirect business, reference should be made to the tables in the Directors’ Report.

The premiums ceded, amounting to Euro 185,892 thousand, accounted for 2.9% of the total premiums written (2.7% in the first half of 2008).

| (in Euro thousands) | 30/06/2009 | 30/06/2008 | Changes | 31/12/2008 |
|--------------------------------------|----------------|----------------|---------------|----------------|
| Life Division | 14,292 | 13,516 | 776 | 22,777 |
| Non-Life Division | 174,321 | 145,073 | 29,248 | 323,974 |
| Change in reinsurers reserves | (2,721) | (2,362) | (359) | (7,218) |
| Total Non-Life Division | 171,600 | 142,711 | 28,889 | 316,756 |
| Premiums ceded to re-insurers | 185,892 | 156,227 | 29,665 | 339,533 |

The Group reinsurance policy negatively impacted on the consolidated accounts for Euro 15,204 thousand (Euro 14,156 thousand in the Non-Life Division).

In accordance with IFRS 4.36b, it is communicated that the Group does not defer and amortise the gains and losses deriving from reinsurance.

In relation to further illustration on the Non-Life and Life Divisions of the account 1.1 of the Income Statement, reference should be made to the Attachment at the end of the half-year report.

COMMISSION INCOME

The commission income in the first half of 2009 amounted to Euro 43,355 thousand, a decrease on the first half of the previous year of Euro 10,267 thousand.

| (in Euro thousands) | 30/06/2009 | 30/06/2008 | Changes | 31/12/2008 |
|---------------------|------------|------------|----------|------------|
| Commission income | 43,355 | 53,622 | (10,267) | 89,319 |

The account includes both the explicit and implicit loading relating to the investment contracts issued by the Group insurance companies and, as such, are not recorded in accordance with IFRS 4, as well as the commissions for the management of internal funds.

In particular, approx. Euro 20 million refers to the subsidiaries Popolare Vita and Milano Assicurazioni.

They also include approx. Euro 23 million of commission income matured by the companies operating in the asset management and consumer credit sectors.

NET INCOME FROM FINANCIAL INSTRUMENTS RECORDED AT FAIR VALUE THROUGH PROFIT OR LOSS

These amount to Euro 417,627 thousand, an increase on the first half of 2008 of Euro 821,012 thousand.

The table is broken down as follows:

| | Interest | Other | Profits | Losses | Valuation | Valuation | Total | Total | Changes | Total |
|---|----------------|---------------|----------------|-----------------|------------------------------------|------------------------------------|----------------|------------------|----------------|------------------|
| | | net income | realised | realised | gains and recovery in values | losses and adjust. in values | 30/06/09 | 30/06/08 | | 31/12/2008 |
| (in Euro thousands) | | | | | | | | | | |
| <i>Result of investments from:</i> | | | | | | | | | | |
| Financial assets held for trading | 1,114 | 28,970 | 49,134 | (52,428) | 7,291 | (10,183) | 23,898 | (181,253) | 205,151 | (103,428) |
| Financial assets designated at fair value recorded through profit or loss | 172,417 | (2,628) | 109,985 | (30,062) | 315,668 | (171,651) | 393,729 | (230,377) | 624,106 | (227,265) |
| Financial liabilities held for trading | - | - | - | - | - | - | - | 8,245 | (8,245) | (10,855) |
| TOTAL | 173,531 | 26,342 | 159,119 | (82,490) | 322,959 | (181,834) | 417,627 | (403,385) | 821,012 | (341,548) |

The result of the investments deriving from financial assets designated at fair value through profit or loss include Euro 386,117 thousand relating to investments in class D, offset by similar changes in the commitments to policyholders.

FINANCIAL INCOME AND CHARGES FROM INVESTMENTS IN SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES, FROM OTHER FINANCIAL INSTRUMENTS AND INVESTMENT PROPERTIES

The following table shows the breakdown:

| | <i>Net interest</i> | <i>Other net income</i> | <i>Profits realised</i> | <i>Losses realised</i> | <i>Valuation gains and recovery in values</i> | <i>Valuation losses and adjustment in values</i> | <i>Total 30/06/20 09</i> | <i>Total 30/06/20 08</i> | <i>Changes</i> | <i>Total 31/12/2008</i> |
|---|-------------------------|---------------------------------|-----------------------------|----------------------------|---|--|----------------------------------|----------------------------------|------------------|-----------------------------|
| (in Euro thousands) | | | | | | | | | | |
| <i>Result from:</i> | | | | | | | | | | |
| Investment property | - | 22,637 | 2,198 | - | - | (25,671) | (836) | (4,412) | 3,576 | 57,503 |
| Investments in subsidiaries, associates and joint ventures | - | (3,057) | - | - | - | - | (3,057) | 26,611 | (29,668) | 30,826 |
| Investments held to maturity | 23,705 | 40 | - | - | - | - | 23,745 | - | 23,745 | 5,722 |
| Loans and receivables | 56,279 | (227) | - | (3,290) | 106 | (7) | 52,861 | 40,754 | 12,107 | 66,241 |
| Available-for-sale financial assets | 321,037 | 43,752 | 76,376 | (75,147) | - | (64,560) | 301,458 | 506,060 | (204,602) | 700,243 |
| Other receivables | 16,755 | (33) | - | - | - | - | 16,722 | 6,382 | 10,340 | 14,055 |
| Cash and cash equivalents | 7,910 | (286) | - | - | - | - | 7,624 | 14,803 | (7,179) | 39,915 |
| Other financial liabilities and other payables | (59,213) | - | 10 | - | - | - | (59,203) | (72,868) | 13,665 | (144,869) |
| TOTAL | 366,473 | 62,826 | 78,584 | (78,437) | 106 | (90,238) | 339,314 | 517,330 | (178,016) | 769,636 |

The columns gains and losses realised show the economic effects deriving from the sale of the various financial instruments.

The valuation losses on the investment property include the depreciation recorded in the year.

The reduction in value of available for sale financial assets refers for Euro 40.2 million to the equity sector, for Euro 6.2 million to the bond sector and for the remainder to mutual funds.

The interest expense on the other financial liabilities includes the Group debt charges.

During the period interest income did not mature on financial assets written down for impairment in previous years (IAS 32.94h).

In relation to Attachment 11, reference should be made to the end of the present report.

OTHER REVENUES

The other revenues amount to Euro 371,603 thousand (Euro 201,101 thousand in the first half of 2008) and are summarised in the table below:

| (in Euro thousands) | 30/06/2009 | 30/06/2008 | Changes | 31/12/2008 |
|-------------------------------------|----------------|----------------|----------------|----------------|
| Gains related to non-current assets | 15 | 4 | 11 | 18 |
| Other technical income | 33,306 | 35,183 | (1,877) | 90,872 |
| Utilisation of provisions | 182,205 | 9,418 | 172,787 | 23,148 |
| Exchange differences | 3,849 | 2,179 | 1,670 | 735 |
| Prior year income | 5,782 | 12,045 | (6,263) | 30,223 |
| Gains realised on fixed assets | 44 | 50 | (6) | 105 |
| Other revenues | 146,402 | 142,222 | 4,180 | 315,291 |
| Total | 371,603 | 201,101 | 170,502 | 460,392 |

The “Utilisation of provisions” includes Euro 150 million relating to the provision made in the previous year by the subsidiary Popolare Vita against restructuring charges of the index linked policies with underlying securities of Lehman Brothers, charges whose amount became certain only in the first part of the present year. The sub-account “other revenues” relates to the following income:

- Euro 85 million (Euro 71 million in the first half of 2008) revenues from the subsidiary Immobiliare Lombarda;
- Euro 20 million (Euro 16 million in the first half of 2008) revenues from retirement home subsidiaries of the Group;
- Euro 12 million (Euro 11 million in the first half of 2008) revenues from the subsidiary Pronto Assistenza Servizi;
- Euro 4 million (Euro 5 million in the first half of 2008) revenues from the agricultural holdings.

NET CHARGES RELATING TO CLAIMS

The claims paid, including the sums of the Life Classes and the relative expenses, gross of the quota ceded in reinsurance, amount to Euro 4,364,283 thousand, a decrease of 9.9% on the previous period.

Claims costs, amounts paid and changes in technical reserves

| (in Euro thousands) | 30/06/2009 | 30/06/2008 | Changes | 31/12/2008 |
|--|------------------|------------------|------------------|------------------|
| <i>Non-Life Division</i> | | | | |
| Amount paid | 2,899,509 | 2,935,521 | (36,012) | 5,851,572 |
| Change in recoveries | (64,668) | (29,664) | (35,004) | (71,518) |
| Change in other technical reserves | 295 | 2,266 | (1,971) | 74 |
| Change in claims reserve | (51,262) | (400,741) | 349,479 | (455,994) |
| Total Non-Life | 2,783,874 | 2,507,382 | 276,492 | 5,324,134 |
| <i>Life Division</i> | | | | |
| Amount paid | 1,464,774 | 1,909,737 | (444,963) | 4,042,926 |
| Change in actuarial and other technical reserves | 552,383 | (430,430) | 982,813 | (309,811) |
| Change in technical reserves where investment risk borne by policyholders and from pension fund management | 1,300,354 | 201,730 | 1,098,624 | 111,449 |
| Change reserve for sums to be paid | (41,733) | 125,868 | (167,601) | (42,094) |
| Total Life | 3,275,778 | 1,806,905 | 1,468,873 | 3,802,470 |
| Total Non-Life + Life | 6,059,652 | 4,314,287 | 1,745,365 | 9,126,604 |
| Amount paid | 4,299,615 | 4,815,594 | (515,979) | 9,822,980 |
| Change reserves | 1,760,037 | (501,307) | 2,261,344 | (696,376) |

Claims costs, reinsurers portion

| (in Euro thousands) | 30/06/2009 | 30/06/2008 | Changes | 31/12/2008 |
|--|----------------|-----------------|-----------------|-----------------|
| <i>Non-Life Division</i> | | | | |
| Amounts paid by reinsurers | 104,182 | 114,813 | (10,631) | 200,648 |
| Change in other technical reserves | - | - | - | - |
| Change in recoveries | (550) | (543) | (7) | (18,085) |
| Change in claims reserve | 6,949 | (47,829) | 54,778 | (42,749) |
| Total Non-Life | 110,581 | 66,441 | 44,140 | 139,814 |
| <i>Life Division</i> | | | | |
| Amounts paid by reinsurers | 16,818 | 18,544 | (1,726) | 34,530 |
| Change in actuarial reserve and other technical reserves | (5,793) | (6,859) | 1,066 | (11,541) |
| Change reserve for sums to be paid | 573 | 956 | (383) | (1,246) |
| Total Life | 11,598 | 12,641 | (1,043) | 21,743 |
| Total Non-Life + Life | 122,179 | 79,082 | 43,097 | 161,557 |
| Amounts paid by reinsurers | 120,450 | 132,814 | (12,364) | 217,093 |
| Change reserves | 1,729 | (53,732) | 55,461 | (55,536) |

The net technical reserves of the Non-Life Classes decreased by Euro 57,916 thousand, an increase of Euro 292,730 thousand compared to 30/06/2008.

The net technical reserves of the Life Division, including the reserves for amounts to be paid, increased by Euro 1,816,224 thousand (decrease of Euro 96,929 thousand in IH 2008).

In relation to further details on the Non-Life and Life division of the account 2.1 of the Income Statement, reference should be made to Attachment 10 at the end of the present report.

COMMISSION EXPENSES

Commission expenses in the first half of 2009 amounted to Euro 23,973 thousand, a decrease on the first half of 2008 of Euro 4,177 thousand.

| (in Euro thousands) | 30/06/2009 | 30/06/2008 | Changes | 31/12/2008 |
|---------------------|------------|------------|---------|------------|
| Commission expenses | 23,973 | 28,150 | (4,177) | 32,611 |

This account includes the acquisition costs related to investment contracts which do not fall under the application of IFRS 4.

MANAGEMENT EXPENSES

| (in Euro thousands) | 30/06/2009 | 30/06/2008 | Changes | 31/12/2008 |
|---|----------------|----------------|-----------------|------------------|
| <i>Non-Life Division</i> | | | | |
| Acquisition commissions and changes in deferred acquisition costs | 573,425 | 566,216 | 7,209 | 1,147,767 |
| Other acquisition expenses | 94,489 | 98,801 | (4,312) | 200,891 |
| Collection commissions | 18,281 | 24,382 | (6,101) | 35,702 |
| Reinsurers commissions and profit participation | (46,863) | (29,943) | (16,920) | (73,344) |
| Total Non-Life | 639,332 | 659,456 | (20,124) | 1,311,016 |
| <i>Life Division</i> | | | | |
| Acquisition commissions and changes in deferred acquisition costs | 78,838 | 80,238 | (1,400) | 133,397 |
| Other acquisition expenses | 32,941 | 17,837 | 15,104 | 24,076 |
| Collection commissions | 4,463 | 5,047 | (584) | 11,419 |
| Reinsurers commissions and profit participation | (1,646) | (974) | (672) | (1,082) |
| Total Life | 114,596 | 102,148 | 12,448 | 167,810 |
| Investment management charges | 5,169 | 9,855 | (4,686) | 17,932 |
| Other administration expenses | 213,829 | 220,220 | (6,391) | 451,670 |
| Total | 972,926 | 991,679 | (18,753) | 1,948,428 |

OTHER COSTS

The other costs amount to Euro 427,571 thousand (Euro 448,717 thousand in the first half of 2008) and are summarised below:

| (in Euro thousands) | 30/06/2009 | 30/06/2008 | Changes | 31/12/2008 |
|-------------------------|------------|------------|----------|------------|
| Other technical charges | 198,037 | 232,933 | (34,896) | 296,854 |
| Provisions | 34,926 | 41,226 | (6,300) | 271,574 |

| | | | | |
|---|----------------|----------------|-----------------|------------------|
| Losses on receivables | 2,715 | 2,028 | 687 | 16,379 |
| Prior year charges | 10,110 | 13,064 | (2,954) | 30,214 |
| Depreciation of property, plant & equipment | 7,267 | 6,868 | 399 | 14,471 |
| Amortisation of intangible assets | 40,957 | 34,572 | 6,385 | 94,068 |
| Exchange differences | 473 | 6,138 | (5,665) | 8,847 |
| Other costs | 133,086 | 111,888 | 21,198 | 273,367 |
| Total | 427,571 | 448,717 | (21,146) | 1,005,774 |

In particular, the sub-account “other costs” relates to the following charges:

- Euro 84 million (Euro 68 million in the first half of 2008) relating to the normal costs of the subsidiary Immobiliare Lombarda of which Euro 47 million for services, Euro 29 million for purchases, Euro 3 million for other operating charges, Euro 4 million for personnel and Euro 1 million for rental and leases;
- Euro 12 million (Euro 10 million in the first of 2008) relates to costs incurred by the subsidiary Pronto Assistenza Servizi to guarantee policyholders and clients of the Group the call centre and assistance services in the case of claims;
- Euro 14 million (Euro 10 million in the first half of 2008) relating to the costs incurred by the retirement home subsidiaries of the Group for their normal operations and personnel costs;
- Euro 3 million (Euro 3 million in the first half of 2008) relating to management costs of the subsidiary Saiagricola.

INCOME TAXES

The breakdown of the account is as follows:

| (in Euro thousands) | 30/06/2009 | 30/06/2008 | Changes | 31/12/2008 |
|-----------------------------|----------------|----------------|------------------|---------------|
| Current income tax | 86,705 | 61,913 | 24,792 | 67,248 |
| Deferred tax charge(income) | (92,655) | 51,301 | (143,956) | 16,481 |
| Total | (5,950) | 113,214 | (119,164) | 83,729 |

Income taxes for the period amounted to Euro -5,950 thousand (Euro 113,214 thousand in the first half of 2008) of which current taxes of Euro 86,705 thousand and deferred tax income of Euro 92,655 thousand.

The national income taxes (Ires and Irap) and the income taxes of the foreign subsidiary are determined applying the relative nominal income tax rates applicable to the annual accounts.

COMPREHENSIVE INCOME STATEMENT

The comprehensive income statement, as reported in the present document, and commented upon in the directors' report, was significantly impacted by the financial crisis and the consequent stock market prices of financial instruments classified as Available for Sale. The comparison between June 2009 and the corresponding period of the previous year shows a significant improvement in 2009 of the overall losses recorded.

PART D – Segment Information

In accordance with IFRS 8, segment information provides the readers of the accounts with an additional tool for a better understanding of the financial results of the Group.

The underlying logic in the application of the principle is to provide information on the manner in which the Group results are formed, consequently providing information on the overall operations of the Group, and, specifically, on the areas where profits and risks are concentrated.

The reporting of the Group is by sector of activity. The companies of the Group are organised and managed separately based on the nature of their products and services, for each sector of activity which represents a strategic business unit offering different products and services.

The sectors of activity are identified through the Group's Management Reporting system. The Non-Life sector provides insurance cover pursuant to article 2, paragraph 3 of Legislative Decree 209/05. The Life sector offers insurance cover with payment of capital or an annuity against an event relating to human life, as well as the securitisation contracts with or without significant insurance risk (article 2, paragraph 1 of Legislative Decree 209/05).

The Real Estate sector rents offices, buildings and residential homes which exceed the coverage requirements of the technical/assurance reserves of the Group and actively operate in the management of investment properties.

The Other Activities Sector, by its nature residual, offers products and services in asset management and the financial and agricultural sectors. The identification of the residual sector is based on a discretionary valuation in order to illustrate the primary sources of risks and benefits for the Group.

The inter-sector operations are generally concluded on the same conditions with third parties.

The balance sheet and income statement by segment follow.

Balance sheet by segment

(Euro thousand)

| | Non-Life Insurance Sector | | Life Insurance Sector | | Real Estate Sector | | Other Sectors | | Inter-segment Eliminations | | Total | |
|--|---------------------------|------------|-----------------------|------------|--------------------|------------|---------------|------------|----------------------------|------------|------------|------------|
| | 30/06/2009 | 31/12/2008 | 30/06/2009 | 31/12/2008 | 30/06/2009 | 31/12/2008 | 30/06/2009 | 31/12/2008 | 30/06/2009 | 31/12/2008 | 30/06/2009 | 31/12/2008 |
| 1 INTANGIBLE ASSETS | 975,595 | 994,377 | 813,537 | 835,139 | 7,463 | 7,636 | 61,494 | 62,846 | | | 1,858,089 | 1,899,998 |
| 2 PROPERTY, PLANT & EQUIPMENT | 371,599 | 369,136 | 13,431 | 13,700 | 777,238 | 762,241 | 99,191 | 99,166 | -26 | -26 | 1,261,433 | 1,244,217 |
| 3 TECHNICAL RESERVES - REINSURANCE AMOUNT | 653,553 | 636,655 | 193,223 | 196,893 | | | | | | | 846,776 | 833,548 |
| 4 INVESTMENTS | 8,209,888 | 8,386,033 | 24,288,005 | 22,220,926 | 1,678,743 | 1,571,265 | 1,937,225 | 1,799,870 | -515,975 | -540,261 | 35,597,886 | 33,437,833 |
| 4.1 Investment property | 1,132,109 | 1,122,332 | 35,204 | 35,591 | 1,414,042 | 1,271,595 | | 30,771 | | | 2,612,126 | 2,459,751 |
| 4.2 Investments in subsidiaries, associates and joint ventures | 95,061 | 67,219 | 0 | 0 | 192,644 | 184,694 | | 43,162 | | | 330,867 | 292,879 |
| 4.3 Investments held to maturity | 0 | 0 | 907,374 | 845,789 | 0 | 0 | 0 | 0 | | | 907,374 | 845,789 |
| 4.4 Loans and receivables | 646,356 | 640,701 | 1,125,427 | 380,873 | 39,100 | 38,155 | 1,480,641 | 1,251,936 | -508,495 | -535,641 | 2,783,029 | 1,776,024 |
| 4.5 Available-for-sale financial assets | 6,277,302 | 6,419,867 | 13,076,494 | 13,172,563 | 30,393 | 73,969 | 298,705 | 320,936 | -7,490 | -4,620 | 19,675,414 | 19,882,715 |
| 4.6 Financial assets at fair value through profit or loss | 59,060 | 135,914 | 9,143,506 | 7,786,110 | 2,564 | 2,852 | 83,946 | 155,799 | | | 9,289,076 | 8,080,675 |
| 5 OTHER RECEIVABLES | 1,955,206 | 2,280,163 | 259,334 | 238,978 | 112,244 | 123,631 | 211,478 | 79,384 | -236,150 | -202,150 | 2,302,112 | 2,520,006 |
| 6 OTHER ASSETS | 588,862 | 706,527 | 325,562 | 475,806 | 26,547 | 29,402 | 47,739 | 52,332 | -186,177 | -324,674 | 812,533 | 939,393 |
| 6.1 Deferred acquisition costs | 152,431 | 187,328 | 34,625 | 39,641 | | | | | | | 187,056 | 226,969 |
| 6.2 Other assets | 446,431 | 519,199 | 290,937 | 436,165 | 26,547 | 29,402 | 47,739 | 52,332 | -186,177 | -324,674 | 625,477 | 712,424 |
| 7 CASH AND CASH EQUIVALENTS | 423,005 | 449,888 | 302,057 | 295,145 | 110,994 | 39,109 | 89,508 | 153,740 | -133,634 | -227,810 | 791,930 | 760,072 |
| 8 TOTAL ASSETS | 13,187,708 | 13,822,779 | 26,195,149 | 24,276,587 | 2,713,229 | 2,583,284 | 2,446,635 | 2,247,338 | -1,071,962 | -1,294,921 | 43,470,759 | 41,635,067 |
| 1 SHAREHOLDERS' EQUITY | | | | | | | | | | | 3,756,557 | 3,894,808 |
| 2 PROVISIONS | 247,554 | 271,432 | 26,094 | 165,693 | 19,933 | 17,903 | 5,550 | 8,009 | | | 299,131 | 463,037 |
| 3 TECHNICAL RESERVES | 11,272,710 | 11,281,611 | 20,103,019 | 18,039,925 | | | | | | | 31,375,729 | 29,321,536 |
| 4 FINANCIAL LIABILITIES | 1,248,048 | 1,289,413 | 4,109,554 | 4,110,268 | 475,632 | 451,068 | 1,227,437 | 1,169,992 | -645,444 | -757,533 | 6,415,227 | 6,263,208 |
| 4.1 Financial liabilities at fair value through profit or loss | 276 | 0 | 3,396,897 | 3,401,918 | 1,742 | 1,120 | 36,364 | 51,224 | 0 | 0 | 3,435,279 | 3,454,262 |
| 4.2 Other financial liabilities | 1,247,772 | 1,289,413 | 712,657 | 708,350 | 473,890 | 449,948 | 1,191,073 | 1,118,768 | -645,444 | -757,533 | 2,979,948 | 2,808,946 |
| 5 PAYABLES | 683,944 | 722,794 | 169,564 | 168,695 | 125,227 | 162,965 | 266,827 | 104,942 | -224,166 | -202,195 | 1,032,396 | 958,201 |
| 6 OTHER LIABILITIES | 391,100 | 510,124 | 290,708 | 488,784 | 32,343 | 31,929 | 79,894 | 38,606 | -202,326 | -335,166 | 591,719 | 734,277 |
| 8 TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | | | | | | | | | | 43,470,759 | 41,635,067 |

Segment Income Statement

(Euro thousand)

| | Non-Life Insurance Sector | | Life Insurance Sector | | Real Estate Sector | | Other Sectors | | Inter-segment Eliminations | | Total | |
|--|---------------------------|------------|-----------------------|------------|--------------------|------------|---------------|------------|----------------------------|------------|------------|------------|
| | 30/06/2009 | 31/12/2008 | 30/06/2009 | 31/12/2008 | 30/06/2009 | 31/12/2008 | 30/06/2009 | 31/12/2008 | 30/06/2009 | 31/12/2008 | 30/06/2009 | 31/12/2008 |
| 1.1 Net premiums | 3,487,277 | 3,594,836 | 2,729,216 | 2,114,736 | 0 | 0 | 0 | 0 | 0 | 0 | 6,216,493 | 5,709,572 |
| 1.1.1 Gross premiums | 3,658,877 | 3,737,547 | 2,743,508 | 2,128,252 | | | | | | | 6,402,385 | 5,865,799 |
| 1.1.2 Premiums ceded to re-insurers | -171,600 | -142,711 | -14,292 | -13,516 | | | | | | | -185,892 | -156,227 |
| 1.2 Commission income | | | 20,595 | 29,148 | | | 23,694 | 25,275 | -934 | -801 | 43,355 | 53,622 |
| 1.3 Income and charges from financial instruments at fair value through profit or loss statement | 74,630 | -23,957 | 337,406 | -383,583 | -54 | -11 | 5,645 | 4,166 | 0 | 0 | 417,627 | -403,385 |
| 1.4 Income from investments in subsidiaries, associates and joint ventures | 75 | 320 | | 29,833 | 1,539 | 21 | 18 | | -18 | | 1,614 | 30,174 |
| 1.5 Income from other financial instruments and property investments | 188,322 | 247,515 | 358,583 | 358,081 | 23,206 | 21,729 | 45,831 | 86,427 | -14,982 | -37,626 | 600,960 | 676,126 |
| 1.6 Other revenues | 180,757 | 82,786 | 180,807 | 27,817 | 85,261 | 71,042 | 258,366 | 146,571 | -333,588 | -127,115 | 371,603 | 201,101 |
| 1 TOTAL REVENUES AND INCOME | 3,931,061 | 3,901,500 | 3,626,607 | 2,176,032 | 109,952 | 92,781 | 333,554 | 262,439 | -349,522 | -165,542 | 7,651,652 | 6,267,210 |
| 2.1 Net charges relating to claims | -2,673,293 | -2,440,941 | -3,264,180 | -1,794,264 | 0 | 0 | 0 | 0 | 0 | 0 | -5,937,473 | -4,235,205 |
| 2.1.2 Amounts paid and changes in technical reserves | -2,783,875 | -2,507,382 | -3,275,778 | -1,806,905 | | | | | | | -6,059,653 | -4,314,287 |
| 2.1.3 Reinsurers' share | 110,582 | 66,441 | 11,598 | 12,641 | | | | | | | 122,180 | 79,082 |
| 2.2 Commission expenses | | | -16,493 | -18,765 | | | -7,480 | -9,385 | | | -23,973 | -28,150 |
| 2.3 Charges from investments in subsidiaries, associates and joint ventures | -1,536 | -132 | | | -2,821 | -3,224 | -314 | -207 | | | -4,671 | -3,563 |
| 2.4 Charges from other financial instruments and property investments | -134,605 | -79,132 | -80,274 | -64,562 | -32,098 | -29,368 | -24,070 | -50,196 | 12,458 | 37,851 | -258,589 | -185,407 |
| 2.5 Management expenses | -778,799 | -810,200 | -152,987 | -144,226 | -232 | -105 | -161,845 | -37,148 | | | -972,926 | -991,679 |
| 2.6 Other costs | -317,801 | -286,111 | -90,582 | -71,719 | -98,095 | -72,214 | -137,203 | -146,364 | 216,110 | 127,691 | -427,571 | -448,717 |
| 2 TOTAL COSTS AND CHARGES | -3,906,034 | -3,616,516 | -3,604,516 | -2,093,536 | -133,246 | -104,911 | -330,912 | -243,300 | 349,505 | 165,542 | -7,625,203 | -5,892,721 |
| PROFIT BEFORE TAXES | 25,027 | 284,984 | 22,091 | 82,496 | -23,294 | -12,130 | 2,642 | 19,139 | -17 | 0 | 26,449 | 374,489 |

PART E

- Information on business combinations

Acquisition of 100% of Atahotels S.p.A.

On 29/05/2009, with reference to the preliminary contract signed at the end of 2008 by Fondiaria-SAI S.p.A. and Milano Assicurazioni S.p.A. for the purchase from Sinergia Holding di Partecipazioni S.p.A. and Raggruppamento Finanziario S.p.A. of 100% of Atahotels S.p.A., the sixth largest hotel chain in Italy, the purchase operation was finalised, respectively for a holding of 51% and 49% in Atahotels.

The acquisition was paid in cash for a total payment of Euro 25 million.

At the same time, control was acquired of the subsidiaries in turn held: Ata Benessere S.r.l., Atahotels Suisse S.A., Tour Executive S.p.A., Hotel Terme di Saint Vincent S.r.l., Ital Residence S.r.l. and Ital H&R S.r.l.

The Company purchased, as described in the paragraph relating to the consolidation scope, was recorded in the present report at book value, as the restated half-year accounts according to the IAS/IFRS accounting standards were not available in time for the full consolidation.

Consequently no goodwill nor the fair value of the net assets acquired were included - operations which will be recorded in the annual accounts.

Considering the price paid and the effective net equity of the group purchased, it is reasonable to assume that both definite and indefinite intangible assets will be recorded.

PART F - Other information

INFORMATION ON FINANCIAL RISKS

Derivative financial instruments

The Group makes a limited utilisation of derivative financial instruments. In fact, the characteristics and the nature of the insurance activity requires that the utilisation of derivative financial instruments are regulated in accordance with Supervision Authority Provision No. 297/1996.

In particular, the above-mentioned Provision provides that operations in derivative financial instruments with the purpose of managing so-called efficiency are contained at a tolerable level of the available solvency margin. In this context it is reported that the operations of the Group in derivative financial instruments are prevalently based on fair value hedges of some significant investments classified as available-for-sale, and to the containment of the interest rate risk on some liability operations.

Hedging contracts

Against the first type (fair value hedge of significant investments), the Group prepared the relative hedging reports, which illustrate the high effectiveness of the hedges.

The loading value at 30/06/2009 of the above-mentioned derivatives and the consequent adjustment to fair value of the Available-For-Sale shares by Company are listed below.

| (in Euro thousands) | Assets for hedging contracts | Liabilities for hedging contracts | AFS Shares hedged |
|-----------------------------|---------------------------------|--------------------------------------|-------------------|
| Fondiaria-SAI S.p.A. | 12,262 | - | -12,262 |
| Milano Assicurazioni S.p.A. | - | - | - |
| Total | 12,262 | - | -12,262 |

The carrying value of the hedged assets was adjusted to the fair value changes through profit or loss. The gains and losses deriving from fair value measurement of the hedge derivatives are also recognised in the income statement.

For the first half year 2009, relating to Fondiaria-SAI, against write-downs of Euro 5,117 thousand of the shares hedged, revaluations were made for a similar amount of the hedged derivatives. In addition, following the partial elimination of the hedge during the first half of 2009 there was a decrease in the derivative assets of Euro 34,741 thousand against the sale of Pirelli & C. ordinary shares and the realisation of the receivable for Euro 7,604 thousand against the closure of hedging contracts on Monte dei Paschi shares and Euro 15,328 thousand against the closure of hedging contracts on Mediobanca shares.

In relation to Milano Assicurazioni, at 30/06/2009 no hedging options were in place.

The impact on the consolidated income statement was zero against the appreciation or depreciation of the hedged financial instruments recording respectively a gain or loss of a similar amount for the derivative hedged.

Against the second type of hedge, the Group signed Interest Rate Swap agreements to manage the risks deriving from changes in interest rates on the debt exposure with banks, converting a part of these loans from variable interest rate to fixed interest rate. These derivative financial instruments are recorded as assets when the fair value is positive, and as liabilities when negative. This fair value is periodically re-measured.

The fair value of the derivative financial instruments represents the present value of the cash flows that the company expects to receive from the contract: These changes in value are recorded against a net equity reserve and released subsequently to the income statement in order to neutralise the effects of the operation.

The part of gains or losses associated to the derivative hedged instrument which equals the absolute value of the fair value changes of the expected cash flows, being considered an effective hedge (range 80%-125%), must be recorded directly in equity; the ineffective portion of the gain or loss on the hedge instrument must be recognised in the income statement if this relates to overhedging. If on the other hand the excess of value is from the instrument hedged (underhedging), the entire fair value change recorded for the derivative must be recorded in net equity.

Where it is considered that the future transaction will not take place, all the components of gains and losses allocated to net equity must be immediately recognised in the income statement.

At the present moment, contracts for a notional value of approx. Euro 853 million exist (Euro 760 million at 31/12/2008): in the first six months of 2009, a new contract was agreed by Fondiaria-SAI for a notional amount of Euro 100 million.

At the reporting date, the fair value of the IRS was estimated at approx. Euro -11 million. These derivative instruments are designated as future cash flow hedge instruments: consequently, the hedge was highly effective.

In fact, the derivative contracts and the underlying financial instruments have the same amount, maturity, currency and interest rate. In detail, the IRS operations at 30/06/2009 are as follows:

| (in Euro thousands) | | | | | Fair value | |
|----------------------|----------|------------|--------------|---------------------|------------|------------|
| Company | Notional | Expiry | Fixed rate % | Variable rate | 30/06/2009 | 31/12/2008 |
| Fondiaria-SAI | 200,000 | 23/07/2013 | 3.970 | Euribor 6 m Act/360 | (7,091) | (5,808) |
| Fondiaria-SAI | 100,000 | 23/07/2013 | 3.930 | Euribor 6 m Act/360 | (3,624) | (2,738) |
| Fondiaria-SAI | 100,000 | 23/07/2013 | 3.990 | Euribor 6 m Act/360 | (3,848) | (2,987) |
| Fondiaria-SAI | 150,000 | 14/07/2016 | 3.180 | Euribor 6 m Act/360 | 2,862 | 4,258 |
| Fondiaria-SAI | 100,000 | 31/12/2015 | 3.080 | Euribor 6 m Act/360 | 2,965 | - |
| Milan | 50,000 | 14/07/2016 | 3.180 | Euribor 6 m Act/360 | 124 | 763 |
| Tikal | 20,000 | 31/12/09 | 3.160 | Euribor 6 m Act/360 | (149) | (148) |
| Tikal | 58,000 | 31/12/09 | 3.120 | Euribor 6 m Act/360 | (420) | (406) |
| Tikal | 25,000 | 30/12/16 | 3.185 | Euribor 6 m Act/360 | (374) | (89) |
| Immobiliare Lombarda | 25,000 | 31/12/12 | 3.770 | Euribor 6 m 30/360 | (889) | (583) |
| Immobiliare Lombarda | 25,000 | 31/12/12 | 3.695 | Euribor 6 m 30/360 | (852) | (537) |

Non-hedging derivatives

The Group does not undertake derivative contracts on currencies to hedge transactions and future cash flows, in that the currency risk exposure overall is immaterial and is covered through the mechanism of natural hedges between assets and liabilities in foreign currencies.

At 30/06/2009, the Group no longer had Forward Variance Swap contracts in place.

The following Credit Default Swaps remain open at the reporting date:

(in Euro thousands)

| Company | Notional | Expiry | Counterparty | Issuer hedged | Cost |
|-----------------------------|----------|------------|------------------------|---------------------------|--------------------|
| Fondiaria-SAI S.p.A. | 15,000 | 20/06/2011 | BNP Paribas | Banco Popolare sub.. | 100 bps per year |
| Fondiaria-SAI S.p.A. | 6,000 | 20/6/13 | Royal Bank of Scotland | Casino Guichard Perrachon | 161 bps per year |
| Fondiaria-SAI S.p.A. | 10,000 | 20/6/13 | H.V.B. | Merrill Lynch | 162.5 bps per year |
| Fondiaria-SAI S.p.A. | 25,000 | 20/2/13 | Morgan Stanley | Republic of Serbia | 295.2 bps per year |
| Milano Assicurazioni S.p.A. | 6,000 | 20/6/13 | Royal Bank of Scotland | Casino Guichard Perrachon | 161 bps per year |
| Milano Assicurazioni S.p.A. | 10,000 | 20/6/13 | H.V.B. | Merrill Lynch | 162.5 bps per year |

In addition at 30/06/2009, the Parent Company has the following contracts:

- purchase of put options on the Eurostoxx50 index with expiry 17/07/2009; total of 145,500, average strike of 1,827.66. The total payment was Euro 16,227 thousand. The position was entirely written down with an impact on the income statement for the first half of 2009 cancelled at maturity;
- purchase of put options on Unicredit ord. shares with expiry 17/07/2009; total of 4,508,017, average strike of 1.775. The total payment was Euro 939 thousand. The position was closed in July, before expiration. The loss realised, of Euro 562 thousand, was recorded in the income statement for the first half-year 2009.

Milano Assicurazioni at 30/06/2009 has the following contracts:

- purchase of put options on the Eurostoxx50 index with expiry 17/07/2009; total of 78,100, average strike of 1,841.14. The total payment was Euro 8,736 thousand. The position was entirely written down with an impact on the income statement for the first half of 2009 cancelled at maturity;
- purchase of put options on Unicredit ord. shares with expiry 17/07/2009; total of 12,397,049, average strike of 1.763. The total payment was Euro 2,536 thousand. The position was closed in July, before expiration. The loss realised, of Euro 1,576 thousand, was recorded in the income statement for the first half-year 2009.

PART G - Transactions with related parties

The operations between the Parent Company and its subsidiaries were eliminated in the present consolidated report and are not shown in these notes.

The operations between Group and other related parties are detailed in the following tables:

Operations of a commercial and financial nature

| (in Euro thousands) | 30/06/2009 | | 31/12/2008 | |
|---|------------|-------------|------------|-------------|
| | Assets | Liabilities | Assets | Liabilities |
| Holding company | 87 | 1 | - | 417 |
| Associated companies and joint ventures | 86,065 | 2,327 | 76,633 | 2,825 |
| Group companies | 3 | 20 | 6 | 20 |
| Other related parties | 216,697 | 57,137 | 371,026 | 68,383 |

| (in Euro thousands) | 30/06/2009 | | 30/06/2008 | |
|---|------------|---------|------------|---------|
| | Income | Charges | Income | Charges |
| Holding company | - | 1,374 | 346 | 370 |
| Associated companies and joint ventures | 11,147 | 5,514 | 2,315 | 71 |
| Group companies | - | - | - | - |
| Other related parties | 7,742 | 85,987 | 8,569 | 74,960 |

All of the above operations were concluded at normal market conditions. The receivables recorded under assets are not guaranteed and will be paid in cash. No provision was made in the period for any losses on receivables from related entities.

The principal transactions with associated companies and joint ventures were:

- Euro 39 million due from Garibaldi S.c.s. for an interest-bearing loan granted by Milano Assicurazioni S.p.A.;
- Euro 23 million due from Ex Var S.c.s. for an interest-bearing loan granted by Fondiaria-SAI S.p.A. and a shareholder loan granted by Immobiliare Lombarda S.p.A.;
- Euro 15 million for shareholder loans granted by Immobiliare Lombarda S.p.A. to Borsetto S.r.l. for Euro 7 million, A7 S.r.l. for Euro 1 million, Metropolis S.p.A. for Euro 3 million, and Sviluppo Centro Est S.r.l. for Euro 4 million;
- € mil. Euro 3 million due to Immobiliare Lombarda from Citylife relating to trade receivables for the “Nuovo Polo Urbano Citylife” in Milan.
-

The principal transactions with Other Related Parties refer to:

- Euro 93.1 million of payments on account to the Company Avvenimenti e Sviluppo Alberghiero S.r.l. in relation to the execution of the real estate contracts on the building areas at Via Fiorentini, Rome. We recall that this operation, undertaken in 2003, included the sale to “Avvenimenti e Sviluppo Alberghiero S.r.l.” of a site and the purchase of the completed real estate complex under construction on the land in question at a price of Euro 96.2 million;
- Euro 42.1 million of payments on account to IM.CO. S.p.A. in relation to the real estate operations concerning the land at Milan, Via Confalonieri-Via de Castilia (Lunetta dell’Isola). The project included the sale in 2005 to IM.CO. S.p.A. of the above-mentioned land and the purchase for Euro 93.7 million of a building for office use under construction on the land sold.

The financial cash flows in the first half of 2009 in relation to these operations amounted to Euro 10.6 million of payments on account made by Milano Assicurazioni.

- Euro 18 million payment on account paid to IM.CO. S.p.A. by Immobiliare Lombarda S.p.A. for the future construction of various buildings and improvements on buildings owned; Euro 30 million paid by the subsidiary Villa Ragionieri S.r.l. on the advancement of work on buildings owned; Euro 1.6 million paid by the subsidiary Auto Presto&Bene to Wave Solutions for additional expenses;
- Euro 4.5 million paid by Immobiliare Lombarda S.p.A. to Marcora S.p.A. as construction advancements.

The liabilities to Other Related Parties principally refer to the trade payables of the subsidiaries Immobiliare Lombarda S.p.A. to IM.CO. S.p.A. for Euro 10 million, I.C.E.IN. S.p.A. for Euro 4 million, Marcora S.p.A. for Euro 15 million, MI.PR.AV. S.r.l. for Euro 2 million for invoices to be received against property redevelopment being carried out; Fondiaria SAI Servizi S. c.r.l. Group to Wave Technologies S.r.l. for Euro 11 million and Villa Ragionieri S.r.l. to IM.CO. S.p.A. for Euro 11 million.

Income from the Associated Companies and Joint Ventures relates principally to the interest on loans provided to the associated company Garibaldi S.c.s. from Milano Assicurazioni S.p.A. and Ex Var from Fondiaria-SAI and Immobiliare Lombarda, dividends from the associated company Chrysalis to Immobiliare Lombarda for Euro 1.2 million and construction revenues for Euro 8 million to Immobiliare Lombarda from the associated company Tre Torri S.c.a.r.l., which was appointed the operative role in the management of the “Nuovo Polo Urbano Citylife” contract in Milan.

The charges to the Associated Companies and joint ventures amounted to Euro 5 million and refer to operating costs incurred by Immobiliare Lombarda from Tre Torri S.c.a.r.l. for the maintenance of the property assets and consortium charges.

The other charges from Other Related Parties principally refer to the fees of Directors for offices covered in companies of the Group for Euro 2.7 million.

Finally, Euro 45 million was incurred by Immobiliare Lombarda S.p.A. for building maintenance costs, in particular for I.C.E.IN. S.p.A. for Euro 30 million and Marcora S.p.A. for Euro 15 million; Euro 27 million incurred by the Fondiaria SAI Servizi S.c.r.l. Group from Wave Logistica S.r.l, Wave Technologies S.r.l. and Wave Post S.r.l. for services.

Additionally, there were transactions with the ATAHOTELS S.p.A. Group which passed under direct and indirect control of Fondiaria-SAI S.p.A. on 29/05/2009 and not included in the consolidation of the group. Principally they refer to:

- income for a total of Euro 4 million from the rental agreements signed with ATAHOTELS S.p.A. by the Tikal R.E. Fund for Euro 2 million and Meridiano Risparmio for Euro 1.3 million;
- total charges of Euro 2 million due principally to the travel expenses incurred by Fondiaria-SAI S.p.A. and Milano Assicurazioni S.p.A.;
- assets for a total of Euro 4 million made up of trade receivables from the Tikal R.E. Fund for Euro 2.4 million and Meridiano Risparmio for Euro 1.6 million.

The Companies IM.CO S.p.A., I.C.E.IN. S.p.A., MI.PR.AV. S.r.l., Marcora S.p.A. and Avvenimenti e Sviluppo Alberghiero S.r.l. are related parties in that there are members on the board of directors of these companies, or their holding companies, also on the boards of Fondiaria-SAI and/or its subsidiaries.

In relation to the operations with related parties, there were no significant positions or transactions deriving from atypical and/or unusual transactions.

DIVIDENDS

The amount of the dividends paid at May 2009 totalled Euro 84,898 thousand for the ordinary shares (Euro 135,907 thousand in 2008) and Euro 32,006 thousand for the savings shares (Euro 49,031 thousand in 2008).

SOLVENCY MARGIN

In accordance with the provisions of the Supervision Authority in relation to the correct solvency margin and the application of the prudent filters, consequent to the introduction of the new IAS/IFRS standards, for the first half of 2009 the ratio between the constituting elements and the amount of the correct solvency margin requested was approx. 129% (130% at 31/12/2008).

Earnings per share

The earnings per share is calculated by dividing the net profit attributable to the ordinary shareholders of the Parent Company by the average weighted number of ordinary shares outstanding during the period. It is reported that the weighted average shares outstanding is reduced by the weighted average treasury shares held by the Fondiaria-SAI Group.

In the calculation of the diluted earnings, account was not taken of the potential savings shares for the stock option plans in the absence of any diluting effects.

In accordance with IAS 33, information is shown below for the calculation of the basic and diluted earnings per share:

| | 30/06/2009 | 30/06/2008 |
|--|-------------|-------------|
| Net profit attributed to the ordinary shareholders of the parent company (Euro thousand) | 13,743 | 153,459 |
| Weighted average number of ordinary shares to calculate the basic earnings per share | 110,442,907 | 113,938,387 |
| Basic earnings per share | 0.12 | 1.35 |
| <i>Effect of the dilution:</i> | | |
| Weighted average number of ordinary shares to calculate the diluted earnings per share | 110,442,907 | 114,853,303 |
| Diluted earnings per share | 0.12 | 1.34 |

It should also be noted that the net profit attributable to the ordinary shares of the Parent Company was adjusted deducting the theoretical profit of the saving shareholders from the Group consolidated net profit. This method corresponds to the current best practice which derives from an “economic” reading of the accounting principle.

Stock options plans

On 14/07/2006, the Board of Directors of Fondiaria-SAI approved the assignment of options of the Fondiaria-SAI 2006-2011 stock option plan for executive directors and management of Fondiaria-SAI, of its subsidiaries and of the parent company for the purchase of Fondiaria-SAI saving shares. The assignment by the Board is an execution of the extraordinary shareholders’ meeting’s resolution of Fondiaria-SAI of 28/04/2006.

The Board of Directors meeting of 20/06/2007 resolved in advance the maturity of the vesting period established in the stock option plan regulations.

In particular, each option tranche can be exercised one year in advance.

The decision to advance the vesting period takes into account, on the one hand, the reaching of some objectives in the 2006-2008 Industrial Plan of the Group and, on the other hand, the various fiscal regulations to which the plans are subject compared to the date of their approval.

The modifications made to the regulations of the plan by the Board of Directors of Fondiaria-SAI on 20/06/2007 do not permit the options to be exercised before the expiry of the vesting period, commencing from the date of assignment, in accordance with the following procedure:

- 40% of the options are exercisable from 14/07/2007 (12 months from the assignment date);
- 30% of the options are exercisable from 14/07/2008 (24 months from the assignment date);
- 30% of the options are exercisable from 14/07/2009 (36 months from the assignment date).

On the expiry of the vesting period, the beneficiaries may alternatively:

- maintain their options until their maturity;
- exercise the options, subscribing to the shares and maintaining them in portfolio;
- exercise the options, subscribing to the shares and selling them on the market.

In any case, the options not exercised within 5 years from the date of the Shareholders' Meeting are automatically void.

The exercise of the option rights is in any case suspended in the period 10 days before the date of the Board of Directors' meeting to approve the financial statements up to the date of the dividend coupon.

The Regulations also provide limits to the exercise of the options and specifically:

- following the exercise of the options and the relative subscription to shares, no more than 10% or 15% (in the case of the plans for management and those for executive directors) of the average daily volumes recorded in the 30 days prior to the sales date may be traded on the market;
- shares may not be traded, from the exercise of the options, in the month in which the Board of Directors is convened for the approval of the financial statements and the half-year report.

Where, for changes in the current status of pension and fiscal regulations and all other applicable legislation or rather in their relative interpretation and application, the implementation of the Plan should result in the recording of social security charges, taxes or other costs for the Company, this latter may modify the Plan or withdraw the Plan, without the beneficiaries having the right of an indemnity or damages.

The Board of Directors also approved that the exercise of the options would be related to the achievement of the principal objectives of the Group's 2006-2008 Industrial Plan, already announced to the market.

Consequently, in accordance with IFRS 2 "Share-based payments", the recognition in the consolidated financial statements of the implicit costs relating to the above stock option plan were re-determined. Through appropriate evaluation models, the fair value of the options was determined; consequently personnel costs in the consolidated financial statements of Fondiaria-SAI (net of the options assigned to subsidiaries) increased against a net equity reserve of Euro 1.8 million, of which Euro 1.1 million relating to the Parent Company.

As the plan involves some executive directors and management of the subsidiaries Milano Assicurazioni and Immobiliare Lombarda, the economic effects of the stock option plan are also recorded in the financial statements of these companies for their share. On the other hand, the consolidated financial statements of Fondiaria-SAI do not include the cost of the options assigned to the executive directors and management of its parent company. The total cost of the plan is estimated, for the Fondiaria-SAI Group, at Euro 36 million, of which Euro 35 million was already expensed at the date of the preparation of the present half-year report.

| (in Euro) | Number options granted | Residual life | Value of option | Total cost | Cost at 30/06/2009 |
|--|------------------------------|---------------|--------------------|-------------------|-----------------------|
| Tranche A | 5,173,360 | 0 | 2.792 | 14,445,940 | - |
| Tranche B | 3,880,020 | 0 | 2.708 | 10,506,003 | - |
| Tranche C | 3,880,020 | 1 | 2.809 | 10,897,715 | 1,787,246 |
| Total Fondiaria-SAI Group | 12,933,400 | | | 35,849,658 | 1,787,246 |
| Options granted to the holding company | 2,066,600 | | | | |
| Total | 15,000,000 | | | | |

SELECTED EXPLANATORY NOTES

With reference to paragraph 16 of IAS 34, it is noted that:

- The insurance sector is not, per se, a seasonal type of activity. At the current moment, there are therefore no indicators that would highlight cyclical elements in the preparation of the accounts;
- There are no unusual matters in the period considered that would significantly impact on the income statement, balance sheet or cash flow statements;
- There are no changes in the estimates made in the period or previous periods that would result in a significant effect on the result for the period.

With reference to the provisions of IAS 37, it is reported that the Group is not aware of any significant potential assets or liabilities of a significant size acquired since 31/12/2008 for which it is necessary to provide specific information.

Declaration of the Condensed Financial Statements as per Article 81 -ter of CONSOB Regulation No. 11971 of 14 May 1999 and subsequent modifications and integrations

The undersigned Fausto Marchionni (as Chief Executive Officer of Fondiaria-SA) and Pier Giorgio Bedogni (as Executive responsible for the preparation of the corporate accounting documents of Fondiaria-SAI)

certify

pursuant to article 154, paragraph 3 and 4, of Legislative Decree No. 58 of February 24, 1998

- the accuracy of the information on company operations and
- the effective application,

of the administrative and accounting procedures for the compilation of the condensed half-year financial statements for the first half-year of 2009.

The valuation of the adequacy of the accounting and administrative procedures for the preparation of the condensed half-year financial statements at 30/06/2009 is based on a Model defined by Fondiaria-SAI in accordance with the “Internal Control – Integrated Framework” and “Cobit” which represent benchmarks for internal control systems generally accepted at international level.

It is also noted that:

- the condensed half-year financial statements:
 - a) were prepared in accordance with international accounting standards, recognised in the European Union pursuant to EU regulation No. 1606/2002 of the European Parliament and Council, of 19/07/2002;
 - b) correspond to the underlying accounting documents and records;
 - c) were prepared in accordance with article 9 of Legislative Decree No. 38/2005 and provide a true and fair representation of the balance sheet, financial position and results of the issuer and of the consolidated companies;
- the Interim Directors’ Report on operations includes an analysis of the significant events in the first six months of the year and their impact on the condensed half-year financial statements, with a description of the principal risks and uncertainties for the remaining six months. The interim directors’ report also includes a reliable analysis of the information on significant operations with related parties.

Milan, August 4, 2009

*Chief Executive Officer of Fondiaria-SAI
Prof. Fausto Marchionni*

*The Executive Responsible
the preparation of the corporate accounting documents
Dr. Peter Geipel Pier Giorgio Bedogni*

Attachments

List of direct and indirect holdings in non-listed companies of above 10% of the share capital at 30/06/2009

(In accordance with article 125-126 of CONSOB Resolution No. 11971 of 14/05/1999)

FONDIARIA-SAI S.P.A. IS THE OWNER AS AT 30/06/2009 OF THE FOLLOWING SHARES/QUOTAS WITH VOTING RIGHTS

| Name of Company Registered offices | Company holding | Voting shares held | % holding | % Total |
|---|---|--------------------------|------------------|---------|
| AGRISAI SRL Italy | SAIAGRICOLA SPA – Società Agricola SAIFIN SAIFINANZIARIA SPA | 60,390 610 | 99.000 1.000 | 100.000 |
| ATA BENESSERE SRL Italy | ATAHOTELS Compagnia italiana Aziende Turistiche Alberghiere S.p.A. | 100,000 | 100.000 | 100.000 |
| ATAHOTELS Compagnia italiana Aziende Turistiche Alberghiere SPA Italy | FONDIARIA -SAI SPA MILANO ASSICURAZIONI SPA | 14,280,000 13,720,000 | 51.000 49.000 | 100.000 |
| ATAHOTELS SUISSE S.A. SWITZERLAND | ATAHOTELS Compagnia italiana Aziende Turistiche Alberghiere SPA | 98,000 | 98.000 | 98.000 |
| AUTO PRESTO & BENE SRL Italy | FONDIARIA-SAI SPA | 51,000 | 100.000 | 100.000 |
| A7 SRL Italy | IMMOBILIARE LOMBARDA SPA | 40,000 | 20.000 | 20.000 |
| BANCA GESFID S.A. SWITZERLAND | FONDIARIA-SAI SPA | 10,000 | 100.000 | 100.000 |
| BANCASAI SPA Italy | FONDIARIA-SAI SPA | 1,166,771,610 | 100.000 | 100.000 |
| BIM VITA SPA Italy | FONDIARIA-SAI SPA | 3,750,000 | 50.000 | 50.000 |
| BIPIEMME VITA SPA Italy | MILANO ASSICURAZIONI SPA | 10,557,000 | 51.000 | 51.000 |
| BORSETTO SRL Italy | IMMOBILIARE LOMBARDA SPA | 1,335,149 | 44.928 | 44.928 |
| BRAMANTE SRL Italy | IMMOBILIARE LOMBARDA SPA | 10,000 | 100.000 | 100.000 |
| BUTTERFLY AM SARL Luxembourg | IMMOBILIARE LOMBARDA SPA | 6,666 | 19.999 | 19.999 |
| CAMPO CARLO MAGNO SPA Italy | MILANO ASSICURAZIONI SPA | 18,622,400 | 100.000 | 100.000 |
| CAPITALIA ASSICURAZIONI SPA Italy | FONDIARIA-SAI SPA | 2,652,000 | 51.000 | 51.000 |
| CARPACCIO SRL Italy | IMMOBILIARE LOMBARDA SPA | 10,000 | 100.000 | 100.000 |
| CASA di CURA VILLA DONATELLO SPA - ITALY | FONDIARIA-SAI SPA | 70,000 | 100.000 | 100.000 |
| CASA di CURA VILLANOVA SRL ITALY | FONDIARIA-SAI SPA | 350,000 | 100.000 | 100.000 |
| CASCINE TRENNO SRL Italy | IMMOBILIARE LOMBARDA SPA | 10,000 | 100.000 | 100.000 |

| Name of Company Registered offices | Company holding | Voting shares held | % holding | % Total |
|--|---|---------------------------|---------------------------|---------|
| CITTÀ DELLA SALUTE SCRL Italy | CASA DI CURA VILLA DONATELLO SPA CASA DI CURA VILLANOVA SRL FLORENCE CENTRO DI CHIRURGIA AMBULATORIALE SRL | 50,000 45,000 5,000 | 50.000 45.000 5.000 | 100.000 |
| CITYLIFE SRL Italy | IMMOBILIARE LOMBARDA SPA | 39,997 | 26.665 | 26.665 |
| COLPETRONE SRL Italy | SAIAGRICOLA SPA – Società Agricola | 10,000 | 100.000 | 100.000 |
| COMPAGNIA TIRRENA DI ASSICURAZIONI SPA in voluntary liquidation Italy | MILANO ASSICURAZIONI SPA | 3,900,000 | 11.143 | 11.143 |
| COMPANIA DE SEGUROS Y REASEGUROS KAIROS S.A. in liq. – SPAGNA | EUROSAI FINANZIARIA DI PARTECIPAZIONI SRL | 48,815 | 11.486 | 11.486 |
| CASTELLO CONSORTIUM Italy | NUOVE INIZIATIVE TOSCANI SRL | 99,660 | 99.660 | 99.660 |
| CONSULENZA AZIENDALE PER L'INFORMATICA – SCAI SPA Italy | FONDIARIA-SAI SPA | 601,400 | 30.070 | 30.070 |
| CRIVELLI SRL Italy | IMMOBILIARE LOMBARDA SPA | 10,000 | 100.000 | 100.000 |
| DDOR AUTO DOO SERBIA | DDOR NOVI SAD A.D.O. | 1 | 100.000 | 100.000 |
| DDOR NOVI SAD A.D.O. SERBIA | FONDIARIA-SAI SPA | 2,114,285 | 99.993 | 99.993 |
| DDOR PENZIJA PLUS AD SERBIA | DDOR NOVI SAD A.D.O. | 82,085 | 100.000 | 100.000 |
| DIALOGO ASSICURAZIONI SPA - ITALY | MILANO ASSICURAZIONI SPA | 8,818,363 | 99.848 | 99.848 |
| DIALOGO VITA COMP.DI ASS.NI SPA Italy | FONDIARIA-SAI SPA MILANO ASSICURAZIONI SPA | 4,800,000 7,200,000 | 40.000 60.000 | 100.000 |
| DOMINION INSURANCE HOLDINGS LTD – GREAT BRITAIN | FINSAI INTERNATIONAL S.A. | 50,780,305 | 100.000 | 100.000 |
| EFFE FINANZIARIA SPA in liq. Italy | THE LAWRENCE RE IRELAND LTD | 10,000 | 100.000 | 100.000 |
| EUROPA TUTELA GIUDIZIARIA SPA - ITALY | FONDIARIA-SAI SPA | 2,000,000 | 100.000 | 100.000 |
| EUROSAI FINANZIARIA DI PARTECIPAZIONI SRL Italy | FONDIARIA-SAI SPA | 5,265,600 | 100.000 | 100.000 |
| EX VAR SCS Luxembourg | FONDIARIA-SAI SPA IMMOBILIARE LOMBARDA SPA | 55,382 30,770 | 17.999 10.000 | 27.999 |
| FINADIN SPA FINANZIARIA DI INVESTIMENTI Italy | SAIFIN SAIFINANZIARIA SPA | 40,000,000 | 40.000 | 40.000 |

| Name of Company Registered offices | Company holding | Voting shares held | % holding | % Total |
|---|--|--|--|---------|
| FINITALIA SPA Italy | BANCASAI SPA | 15,376,285 | 100.000 | 100.000 |
| FIN.PRIV. SRL Italy | FONDIARIA-SAI SPA | 5,714 | 28.571 | 28.571 |
| FINSAI INTERNATIONAL S.A. LUXEMBOURG | FONDIARIA-SAI SPA SAILUX S.A. SAINTERNATIONAL S.A. | 80,000 145,183 176,383 | 19.922 36.154 43.924 | 100.000 |
| FLORENCE CENTRO DI CHIRURGIA AMBULATORIALE SRL Italy | CASA DI CURA VILLANOVA SRL | 10,400 | 100.000 | 100.000 |
| FONDIARIA NEDERLAND BV HOLLAND | FONDIARIA-SAI SPA | 1,907 | 100.000 | 100.000 |
| FONDIARIA-SAI SERVIZI TECNOLOGICI SPA Italy | FONDIARIA-SAI SPA | 61,200 | 51.000 | 51.000 |
| GARIBALDI SCS Luxembourg | MILANO ASSICURAZIONI SPA | 480 | 47.952 | 47.952 |
| GLOBAL CARD SERVICE SRL Italy | LIGURIA SOCIETÀ DI ASS.NI SPA LIGURIA VITA SPA | 43,472 50,388 | 44.000 51.000 | 95.000 |
| GRUPPO FONDIARIA SAI SERVIZI SCRL Italy | BANCASAI SPA BIM VITA SPA CAPITALIA ASSICURAZIONI SPA DIALOGO ASSICURAZIONI SPA DIALOGO VITA Comp. di Ass.ni SPA EUROPA TUTELA GIUDIZIARIA SPA FINITALIA SPA FONDIARIA-SAI SPA LIGURIA Soc.di Ass.ni SPA LIGURIA VITA SPA MILANO ASSICURAZIONI SPA PRONTO ASSISTANCE SERVIZI SCARL PRONTO ASSISTANCE SPA SAI ASSET MANAGEMENT SGR SPA SAI MERCATI MOBILIARI – SOC. DI INTERMEDIAZIONE MOBILIARE SPA SISTEMI SANITARI SCRL SYSTEMA COMP.DI ASS.NI SPA SYSTEMA VITA COMP.DI ASS.NI SPA | 2,000 2,000 2,000 20,000 2,000 2,000 2,000 6,427,000 2,000 2,000 3,419,000 2,000 90,000 2,000 2,000 2,000 2,000 18,000 2,000 | 0.020 0.020 0.020 0.200 0.020 0.020 0.020 64.270 0.020 0.020 34.190 0.020 0.900 0.020 0.020 0.020 0.180 0.020 | 100.000 |
| HOTEL TERME DI SAINT VINCENT SRL Italy | ATAHOTELS Compagnia italiana Aziende Turistiche Alberghiere SPA | 15,300 | 100.000 | 100.000 |
| IGLI SPA Italy | IMMOBILIARE LOMBARDA SPA | 8,040,000 | 33.333 | 33.333 |
| IMMOBILIARE LITORELLA SRL Italy | IMMOBILIARE LOMBARDA SPA | 10,329 | 100.000 | 100.000 |
| IMMOBILIARE LOMBARDA SPA Italy | FONDIARIA-SAI SPA MILANO ASSICURAZIONI SPA | 2,503,232,305 1,602,107,422 | 60.975 39.025 | 100.000 |
| INIZIATIVE VALORIZZAZIONI EDILI – IN V.ED. SRL Italy | IMMOBILIARE LOMBARDA SPA | 10,329 | 100.000 | 100.000 |

| Name of Company Registered offices | Company holding | Voting shares held | % holding | % Total |
|--|--|-------------------------|-----------------|---------|
| INSEDIAMENTI AVANZATI NEL TERRITORIO I.A.T. SPA Italy | IMMOBILIARE LOMBARDA SPA | 500,000 | 100.000 | 100.000 |
| ISTITUTO EUROPEO DI ONCOLOGIA SRL Italy | FONDIARIA-SAI SPA MILANO ASSICURAZIONI SPA | 10,186,526 1,394,536 | 12.883 1.764 | 14.646 |
| ITAL H&R SRL Italy | ITALRESIDENCE SRL | 50,000 | 100.000 | 100.000 |
| ITAL IBERIA INVERSIONES FINANCIERAS SL Spain | FONDIARIA-SAI SPA | 122,193,595 | 100.000 | 100.000 |
| ITALRESIDENCE SRL Italy | ATAHOTELS Compagnia italiana Aziende Turistiche Alberghiere SPA | 100,000 | 100.000 | 100.000 |
| LIGURIA SOCIETÀ DI ASSICURAZIONI SPA Italy | MILANO ASSICURAZIONI SPA | 22,992,121 | 99.966 | 99.966 |
| LIGURIA VITA SPA Italy | LIGURIA SOCIETÀ DI ASS.NI SPA | 1,200,000 | 100.000 | 100.000 |
| MANTEGNA SRL Italy | FONDIARIA-SAI SPA | 10,000 | 100.000 | 100.000 |
| MARINA DI LOANO SPA Italy | IMMOBILIARE LOMBARDA SPA | 5,536 | 100.000 | 100.000 |
| MASACCIO SRL Italy | IMMOBILIARE LOMBARDA SPA | 10,000 | 100.000 | 100.000 |
| MB VENTURE CAPITAL FUND I PARTECIP. COMPANY D NV HOLLAND | FONDIARIA-SAI SPA | 15,000 | 30.000 | 30.000 |
| MERIDIANO AURORA SRL Italy | FONDIARIA-SAI SPA | 10,000 | 100.000 | 100.000 |
| MERIDIANO BELLARMINO SRL Italy | IMMOBILIARE LOMBARDA SPA | 10,000 | 100.000 | 100.000 |
| MERIDIANO BRUZZANO SRL Italy | IMMOBILIARE LOMBARDA SPA | 10,000 | 100.000 | 100.000 |
| MERIDIANO EUR SRL Italy | MILANO ASSICURAZIONI SPA | 10,000 | 100.000 | 100.000 |
| MERIDIANO ORIZZONTI SRL Italy | MILANO ASSICURAZIONI SPA | 10,000 | 100.000 | 100.000 |
| MERIDIANO PRIMO SRL Italy | IMMOBILIARE LOMBARDA SPA | 10,000 | 100.000 | 100.000 |
| MERIDIANO QUARTO SRL Italy | SAI HOLDING ITALIA SPA | 10,000 | 100.000 | 100.000 |
| MERIDIANO QUINTO SRL Italy | FONDIARIA-SAI SPA | 800,000 | 100.000 | 100.000 |
| MERIDIANO RISPARMIO SRL Italy | FONDIARIA-SAI SPA | 10,000 | 100.000 | 100.000 |
| MERIDIANO SECONDO SRL Italy | IMMOBILIARE LOMBARDA SPA | 10,000 | 100.000 | 100.000 |
| MERIDIANO TERZO SRL Italy | SAI HOLDING ITALIA SPA | 10,000 | 100.000 | 100.000 |
| METALS BANKA AD SERBIA | DDOR NOVI SAD A.D.O. | 51,767 | 15.237 | 15.237 |

| Name of Company Registered offices | Company holding | Voting shares held | % holding | % Total |
|--|---|---|--|---------|
| METROPOLIS SPA Italy | IMMOBILIARE LOMBARDA SPA | 332,976 | 29.730 | 29.730 |
| MIZAR SRL Italy | IMMOBILIARE LOMBARDA SPA | 10,329 | 100.000 | 100.000 |
| NUOVA IMPRESA EDIFICATRICE MODERNA SRL Italy | IMMOBILIARE LOMBARDA SPA | 10,329 | 100.000 | 100.000 |
| NUOVE INIZIATIVE TOSCANE SRL - ITALIA | FONDIARIA-SAI SPA MILANO ASSICURAZIONI SPA | 48,440,000 1,560,000 | 96.880 3.120 | 100.000 |
| OPEN MIND INVESTMENTS SCA SICAR Luxembourg | FONDIARIA-SAI SPA | 270,000 | 65.854 | 65.854 |
| PENTA DOMUS SPA Italy | IMMOBILIARE LOMBARDA SPA | 24,000 | 20.000 | 20.000 |
| PONTORMO SRL Italy | IMMOBILIARE LOMBARDA SPA | 50,000 | 100.000 | 100.000 |
| POPOLARE VITA SPA Italy | FONDIARIA-SAI SPA SAI HOLDING ITALIA SPA | 8,760,001 9,200,000 | 24.388 25.612 | 50.000 |
| PORTOFINO VETTA SRL Italy | FONDIARIA-SAI SPA | 20,000 | 100.000 | 100.000 |
| PROGETTO ALFIERE SPA Italy | IMMOBILIARE LOMBARDA SPA | 22,800 | 19.000 | 19.000 |
| PROGETTO BICOCCA LA PIAZZA SRL in liquidation Italy | IMMOBILIARE LOMBARDA SPA | 2,332,332 | 74.000 | 74.000 |
| PRONTO ASSISTANCE SERVIZI SCARL Italy | BANCASAI SPA CAPITALIA ASSICURAZIONI SPA DIALOGO ASSICURAZIONI SPA FONDIARIA-SAI SPA LIGURIA SOCIETÀ DI ASS.NI SPA MILANO ASSICURAZIONI SPA PRONTO ASSISTANCE SPA SISTEMI SANITARI SCRL SYSTEMA COMPAGNIA DI ASS.NI SPA | 516 774 123,840 192,984 11,352 144,480 39,732 516 1,806 | 0.100 0.150 24.000 37.400 2.200 28.000 7.700 0.100 0.350 | 100.000 |
| PRONTO ASSISTANCE SPA Italy | FONDIARIA-SAI SPA | 2,500,000 | 100.000 | 100.000 |
| QUINTOGEST SPA Italy | FONDIARIA-SAI SPA | 980,000 | 49.000 | 49.000 |
| RISTRUTTURAZIONI EDILI MODERNE – R.EDIL.MO. SRL Italy | IMMOBILIARE LOMBARDA SPA | 10,329 | 100.000 | 100.000 |
| SAI ASSET MANAGEMENT SGR SPA - ITALY | FONDIARIA-SAI SPA | 500,000 | 100.000 | 100.000 |
| SAI HOLDING ITALIA SPA Italy | FONDIARIA-SAI SPA | 50,000,000 | 100.000 | 100.000 |
| SAI INVESTIMENTI SGR SPA Italy | FONDIARIA-SAI SPA MILANO ASSICURAZIONI SPA | 1,995,930 1,134,940 | 51.000 29.000 | 80.000 |
| SAI MERCATI MOBILIARI – SOC. DI INTERMEDIAZIONE MOBILIARE SPA Italy | FONDIARIA-SAI SPA | 20,000,000 | 100.000 | 100.000 |

| Name of Company Registered offices | Company holding | Voting shares held | % holding | % Total |
|---|---|---|--|---------|
| SAIAGRICOLA SPA - Società Agricola Italy | FONDIARIA-SAI SPA MILANO ASSICURAZIONI SPA PRONTO ASSISTANCE SPA | 60,722,765 4,490,641 786,590 | 92.004 6.804 1.192 | 100.000 |
| SAIFIN SAIFINANZIARIA SPA Italy | FONDIARIA-SAI SPA | 102,258,000 | 100.000 | 100.000 |
| SAILUX S.A. Luxembourg | FINSAI INTERNATIONAL S.A. SAIFIN SAIFINANZIARIA SPA | 10 9,387,800 | 0.000 99.999 | 100.000 |
| SAINT GEORGE CAPITAL MANAGEMENT S.A. SWITZERLAND | BANCA GESFID S.A. | 5,000 | 100.000 | 100.000 |
| SAINTERNATIONAL S.A. Luxembourg | FONDIARIA-SAI SPA | 15,399,997 | 99.999 | 99.999 |
| SANTA MARIA DEL FICO SRL Italy | SAIAGRICOLA SPA – Società Agricola | 78,000 | 100.000 | 100.000 |
| SCONTOFIN S.A. Luxembourg | SAILUX S.A. | 950 | 19.000 | 19.000 |
| SERVICE GRUPPO FONDIARIA-SAI SRL - ITALIA | FONDIARIA-SAI SPA MILANO ASSICURAZIONI SPA | 140,000 60,000 | 70.000 30.000 | 100.000 |
| SERVIZI IMM. MARTINELLI SPA Italy | IMMOBILIARE LOMBARDA SPA | 200 | 20.000 | 20.000 |
| SIAT - SOC. ITALIANA ASS.NI E RIASSICURAZIONI SPA Italy | SAI HOLDING ITALIA SPA | 35,983,610 | 94.694 | 94.694 |
| SIM ETOILE S.A.S FRANCE | FONDIARAI-SAI SPA | 199,999 | 99.999 | 99.999 |
| SINTESI SECONDA SRL Italy | IMMOBILIARE LOMBARDA SPA | 10,400 | 100.000 | 100.000 |
| SISTEMI SANITARI SCRL Italy | BANCASAI SPA BIM VITA SPA DIALOGO ASSICURAZIONI SPA DIALOGO VITA Comp. di Ass.ni SPA EUROPA TUTELA GIUDIZIARIA SPA FINITALIA SPA FONDIARIA-SAI SPA GRUPPO FONDIARIA-SAI SERVIZI SCRL LIGURIA SOCIETÀ DI ASS.NI SPA LIGURIA VITA SPA MILANO ASSICURAZIONI SPA POPOLARE VITA SPA PRONTO ASSISTANCE SERVIZI SCARL PRONTO ASSISTANCE SPA SAI ASSET MANAGEMENT SGR SPA SAI MERCATI MOBILIARI – SOC. DI INTERMADIAZIONE MOBILIARE SPA SYSTEMA COMPAGNIA DI ASS.NI SPA SYSTEMA VITA COMP.DI ASS.NI SPA | 398 142 171 4 19 155 789,664 917 2,170 195 196,295 5,093 4,088 342 54 106 118 69 | 0.040 0.014 0.017 0.000 0.002 0.016 78.966 0.092 0.217 0.020 19.630 0.509 0.409 0.034 0.005 0.011 0.012 0.007 | 100.000 |
| SOAIMPIANTI-ORGANISMI DI ATTESTAZIONE SRL in liq. Italy | FONDIARIA-SAI SPA | 18,307 | 21.639 | 21.639 |

| Name of Company Registered offices | Company holding | Voting shares held | % holding | % Total |
|---|--|---|--|---------|
| SOCIETÀ EDILIZIA IMMOBILIARE SARDA – S.E.I.S. SPA – ITALY | IMMOBILIARE LOMBARDA SPA | 387,500 | 51.667 | 51.667 |
| SOCIETÀ FINANZIARIA PER LE GEST.ASS.VE SRL in liq. Italy | FONDIARIA-SAI SPA MILANO ASSICURAZIONI SPA | 13,931,807 7,012,859 | 14.907 7.504 | 22.410 |
| SOCIETÀ FUNIVIE DEL PICCOLO S. BERNARDO SPA Italy | IMMOBILIARE LOMBARDA SPA | 1,441,691 | 27.384 | 27.384 |
| SOFINPA SPA Italy | SAIFIN SAIFINANZIARIA SPA | 2,400,000 | 30.000 | 30.000 |
| SOGEINT SRL Italy | MILANO ASSICURAZIONI SPA | 100,000 | 100.000 | 100.000 |
| SRP ASSET MANAGEMENT S.A. SWITZERLAND | SAINTERNATIONAL S.A. | 1,000 | 100.000 | 100.000 |
| STIMMA SRL Italy | FONDIARIA-SAI SPA | 10,000 | 100.000 | 100.000 |
| SVILUPPO CENTRO EST SRL Italy | IMMOBILIARE LOMBARDA SPA | 4,000 | 40.000 | 40.000 |
| SYSTEMA COMPAGNIA DI ASSICURAZIONI SPA Italy | MILANO ASSICURAZIONI SPA | 10,000 | 100.000 | 100.000 |
| SYSTEMA VITA COMP.DI ASS.NI SPA Italy | FONDIARIA-SAI SPA | 12,000,000 | 100.000 | 100.000 |
| THE LAWRENCE LIFE ASSURANCE COMPANY LTD IRELAND | FONDIARIA NEDERLAND BV | 802,886 | 100.000 | 100.000 |
| THE LAWRENCE RE IRELAND LTD - IRLANDA | FONDIARIA NEDERLAND BV | 635,000 | 100.000 | 100.000 |
| TOUR EXECUTIVE SPA Italy | ATAHOTELS Compagnia italiana Aziende Turistiche Alberghiere SPA | 500,000 | 100.000 | 100.000 |
| TRE TORRI CONTRACTOR SCRL – Italy | IMMOBILIARE LOMBARDA SPA | 5,000 | 50.000 | 50.000 |
| TRENNO OVEST SRL Italy | IMMOBILIARE LOMBARDA SPA | 10,000 | 100.000 | 100.000 |
| UFFICIO CENTRALE ITALIANO SCARL - Italy | CAPITALIA ASSICURAZIONI SPA DIALOGO ASSICURAZIONI SPA FONDIARIA-SAI SPA LIGURIA SOCIETÀ DI ASS.NI SPA MILANO ASSICURAZIONI SPA SIAT - SOCIETÀ ITALIANA ASS.NI E RIASSICURAZIONI SPA SYSTEMA COMPAGNIA DI ASS.NI SPA | 24 1 141,358 3,093 109,752 948 | 0.002 0.000 14.136 0.309 10.975 0.095 | 25.518 |
| VALORE IMMOBILIARE SRL Italy | MILANO ASSICURAZIONI SPA | 4,900 | 49.000 | 49.000 |
| VILLA RAGIONIERI SRL Italy | FONDIARIA-SAI SPA | 150,000 | 100.000 | 100.000 |
| WAVE TECHNOLOGIES SRL Italy | FONDIARIA-SAI SPA | 14,925 | 15.000 | 15.000 |

Auditors' Report

**RELAZIONE DELLA SOCIETÀ DI REVISIONE
SULLA REVISIONE CONTABILE LIMITATA
DEL BILANCIO CONSOLIDATO SEMESTRALE ABBREVIATO**

Tel: +39 011 55971
Fax: +39 011 544756
www.deloitte.it

**Agli Azionisti di
FONDIARIA-SAI S.p.A.**

1. Abbiamo effettuato la revisione contabile limitata del bilancio consolidato semestrale abbreviato, costituito dallo stato patrimoniale, dal conto economico separato, dal conto economico complessivo, dal prospetto delle variazioni di patrimonio netto, dal rendiconto finanziario e dalle relative note esplicative di FONDIARIA-SAI S.p.A. e sue controllate (Gruppo FONDIARIA-SAI) al 30 giugno 2009. La responsabilità della redazione del bilancio consolidato semestrale abbreviato in conformità al principio contabile internazionale applicabile per l'informativa finanziaria infrannuale (IAS 34) adottato dall'Unione Europea nonché al Regolamento ISVAP n. 7 del 13 luglio 2007, compete agli Amministratori di FONDIARIA-SAI S.p.A. E' nostra la responsabilità della redazione della presente relazione in base alla revisione contabile limitata svolta.
2. Il nostro lavoro è stato svolto secondo i criteri per la revisione contabile limitata raccomandati dalla Consob con Delibera n. 10867 del 31 luglio 1997. La revisione contabile limitata è consistita principalmente nella raccolta di informazioni sulle poste del bilancio consolidato semestrale abbreviato e sull'omogeneità dei criteri di valutazione, tramite colloqui con la direzione della società, e nello svolgimento di analisi di bilancio sui dati contenuti nel predetto bilancio consolidato. La revisione contabile limitata ha escluso procedure di revisione quali sondaggi di conformità e verifiche o procedure di validità delle attività e delle passività ed ha comportato un'estensione di lavoro significativamente inferiore a quella di una revisione contabile completa svolta secondo gli statuiti principi di revisione. Di conseguenza, diversamente da quanto effettuato sul bilancio consolidato di fine esercizio, non esprimiamo un giudizio professionale di revisione sul bilancio consolidato semestrale abbreviato.
Per quanto riguarda i dati relativi al bilancio consolidato dell'esercizio precedente ed al bilancio consolidato semestrale abbreviato dell'anno precedente presentati ai fini comparativi, riclassificati per tener conto delle modifiche agli schemi di bilancio introdotte dallo IAS 1 (2007), si fa riferimento alle nostre relazioni rispettivamente emesse in data 6 aprile 2009 ed in data 29 agosto 2008.
3. Sulla base di quanto svolto, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che il bilancio consolidato semestrale abbreviato del Gruppo FONDIARIA-SAI al 30 giugno 2009 non sia stato redatto, in tutti gli aspetti significativi, in conformità al principio contabile internazionale applicabile per l'informativa finanziaria infrannuale (IAS 34) adottato dall'Unione Europea.

DELOITTE & TOUCHE S.p.A.



Enrico Ciai
Socio

Torino, 28 agosto 2009