



FONDIARIA-SAI ACQUIRES LIGURIA ASSICURAZIONI

PRESS RELEASE

Ex art. 114 D.Lgs. 58/98

- **Fondiaria-SAI has subscribed a contract for the acquisition of the control of the insurance group Liguria Assicurazioni;**
- **The agreement includes the acquisition of 99.97% of the capital of Liguria for a consideration of Euro 144.5 million;**
- **The purchase price may be adjusted according to the economic result of Liguria in the second half of 2005, and on the basis of the balance sheet position at the date of the transfer of the property of Liguria;**
- **The closing of the Transaction, subject to the authorisation by the relevant Authorities, is expected within the first half of 2006.**

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Milan, 25 January 2006

Fondiaria-SAI S.p.A. announces to have subscribed a contract for the acquisition of 99.97% of the capital of Liguria Assicurazioni S.p.A (“Liguria”) with Gaula Consultadoria e Investimentos Lda (the “Seller”) yesterday night.

The agreement includes the preliminary payment of Euro 144.5 million at the closing of the transaction, expected within the first half of 2006.

Such price may be subject to an adjustment, at the time of the transfer of the property, in light of the economic result of Liguria in the second half of 2005 and, subsequently, on the basis of the balance sheet position, that will be reported following the transfer of the property.

Furthermore, the agreement includes that the Seller guarantees the adequacy of the technical reserves of Liguria, in addition to the usual balance sheet and income statement items.

Liguria Assicurazioni, established in Genoa in 1883 and operating in the non-life business, as well as in the life business through its subsidiary Liguria Vita S.p.A., premiums for approximately Euro 175 million estimates for the year 2005 and a net result of approximately Euro 11 million for the same period, with an expected combined ratio of approximately 92%.

Liguria is mainly active in the non-life sector, where 90% of premiums are generated, and the motor TPL line accounts for a large portion of the premiums (approximately 70%). The life business, in which Liguria operates through its subsidiary Liguria Vita S.p.A., accounts for approximately 10% of the premiums, with a business mix mainly oriented towards traditional life products.

Liguria, with 115 employees, is present across Italy thanks to a network of 232 agencies, mainly tied agents, concentrated in the northern and central part of Italy, where approximately 65% of its premiums are generated.

Thanks to this acquisition, the group Fondiaria-SAI strengthens its presence in the non-life sector, increasing its presence over the Italian territory.

Liguria brings to Fondiaria-SAI a strong agencies network that in the last three years has registered an average growth in premium of 16% per year, fully complementary and in synergy with other networks of the group, thanks to the dominant concentration of Liguria agencies in small towns (60% of the agencies are based in towns with an average population of 50,000 inhabitants), where the Fondiaria-SAI group has a limited presence.

With this transaction, Fondiaria-SAI confirms its growth model based both on internal and external initiatives, and its capacity, proved in the several transactions made in the last years, to fully realise the value of the acquisitions, always with the most respect for the single entities and professionals, that each time became part of the group.

The closing of the transaction, subject to approval of relevant Authorities, is expected within the first half of 2006.

Fondiaria-SAI and the seller have been assisted by Merrill Lynch and by Mediobanca - Banca di Credito Finanziario respectively as financial advisors, and by Studio Legale Associato d'Urso Munari Gatti and by Studio Legale e Tributario Biscozzi Nobili respectively as legal advisors.

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