FONDIARIA-SAI GROUP 2006-2008 INDUSTRIAL PLAN APPROVED

Milan, 11 April 2006 – This morning, the Board of Directors of Fondiaria-SAI has examined and approved the new 2006-2008 Industrial Plan of the Group, presented to the financial community by CEO, Fausto Marchionni, at 11.30 a.m. today at the Atahotel Executive in Milan.

The objective of the new plan is to increase value for shareholders, to be carried out using the following drivers: increasing the diversification of the business in order to reduce risk, creating new opportunities for development, and increasing profitability.

These drivers will act on the Fondiaria-SAI Group's current operating platform and on new areas for growth which the Group is developing, as well as on optimising the management of excess capital.

The objectives regarding the current platform are as follows:

- becoming the leader in the Retail Non Motor business, with a growth rate of 14%, through an intense programme of sales campaigns, the addition of 1,500 new salespeople, and the launch of differentiated development plans involving over 5,000 agents;
- maintaining the leadership in the Motor segment, by maintaining the current level of profitability, and extending the new product "Nuova Prima Global" to the entire group;
- keeping the combined ratio level substantially unchanged, while creating a more balanced portfolio mix in order to achieve satisfying long term results;
- increasing business in the Life segment by tripling the number of new annual premiums, increasing the involvement of the agent networks using new methods of management (a programme which has already begun and is obtaining extremely positive results), and expanding business in the bancassurance sector.
- Developing the asset management business through the acquisition of a network of 1,000 financial advisors with about € 2.5 million in Assets under Management, and the re-launch of BancaSai with campaigns focused on the current financial advisors.

In terms of new opportunities for growth, the Group's targets are as follows:

- collecting 170,000 policies through the direct channel by developing its existing subsidiary Dialogo Assicurazioni through focused investments, in order to acquire new clients who will be the target of cross-selling activities for non-motor products, using the traditional networks;
- developing the Bancassurance P&C channel to reach 2,700 branches, both through commercial agreements and joint ventures with banking partners, using the Group's know-how in a dedicated organisation, and operating on products with low levels of loss ratio;
- expanding our presence abroad in markets in the Mediterranean and Eastern European areas, by creating dedicated holding companies in partnership with players having extensive knowledge of the countries where they will operate (€ 500 million in committed capital).

The objective of streamlining capital management will be pursued starting with an analysis of the situation at end 2005, which recorded excess capital of about € 1 billion. Over the three years of the plan, this will enable the Group to achieve three objectives:

- financing initiatives for growth;
- offering attractive dividend programmes (with payouts growing by 60% for the group parent Fondiaria-SAI) followed by a new plan to buy back own shares (to be implemented during 2007-2008), for a total of about € 400 million, after cancellation of the shares owned by the end of 2006;
- continuing to strengthen equity, with the objective of an improvement in company rating.

Together, these initiatives will enable us to reach both qualitative and quantitative objectives which are illustrated in the attached slides.

In the presentation, the comments on the 2005 Group figures illustrate the following with reference to the Life business: the figures regarding the consolidated "Value In Force" (gross of tax effects), equal to € 658 million; and for Motor TPL: the declining frequency of claims (0.10 percentage points, from 8.44% in 2004 to 8.34% in 2005); the increasing speed of current year claims' settlement (2.2 percentage points, from 67.8% in 2004 to 70% in 2005); the average cost of current year claims, which has grown by 3.6%; and the average cost of claims reserve for the present year, increased by 6.6%, in confirmation of the traditionally cautious approach of the Group.

MAIN INITIATIVES OF THE PLAN

				Targets	
P&C market leadership	Current platform	1	Boost Retail non-Motor growth from Agent networks	#1	Ranking in Retail non-Motor
		2	Keep undisputed Motor leadership	#1	Ranking in Motor
		3	Maintain best practice technical results	~92%	Combined ratio across the three-year plan
	New growth options	4	Re-launch direct channel	170,000	Policies from the direct channel
		5	Develop Bancassurance P&C in Italy	2,700	Bank branches active in distributing P&C and Life products
		6	Grow in foreign countries with selected partners	500 mln	€ capital committed to investments in vehicles for foreign acquisitions in JV with partners
Development of other business areas		7	Revitalize Life business	x3	New Life annual* premiums
		8	Strengthen Bank/ Asset Management business	~90%	Annual AuM growth
		9	Capture Real Estate opportunities	3	Vehicles for Real Estate investments with different risk profiles
Attractive risk-return profile for shareholders		10	Adopt an attractive Capital management policy for shareholders	400 mln	€ in shares buy-back
				60%	Dividend payout

* Includes recurring premiums

KEY ECONOMICS OF THE PLAN – CONSOLIDATED P&L RESULTS

GRUPPO SAI FONDIARIA

€ millions, percent

IFRS/IAS

	2005	2008	CAGR '05-'08
Gross Written Premiums	**9,485**	**11,542**	**+6.8 %**
• P&C	7,134	8,605	+6.4 %
– Motor	4,931	5,630	+4.5 %
– Non Motor	2,203	2,975	+10.5 %
• Life*	2,351	2,937	+7.7 %
P&C Technical Result	**530**	**600**	**+4.2 %**
New Life production	**1,805**	**2,398**	**+10.0 %**
Group net profit**	**535**	**630**	**+5.6 %**

	2005	2008	Delta '05-'08
CoR	**92.2**	**92.5**	**+ 0.3 p.p.**
• Loss ratio	70.8	69.7	– 1.1 p.p.
• Expense ratio	21.4	22.8	+ 1.4 p.p.
ROE***	**11.9%**	**13.4%**	**+1.5 p.p.**

* According to IAS, does not include additional investment contracts (718 € mln in 2005 and 936 € mln in 2008)
** Gross of minorities (2005 net profit adjusted to net a 51 mln € tax fund usage)
*** Calculated on Equity as of 31/12 and including effects of new consolidation perimeter/IAS