



PRESS RELEASE

FONDIARIA-SAI S.p.A.: 1st QUARTER 2006 CONSOLIDATED FINANCIAL STATEMENTS APPROVED. TOTAL PREMIUMS COLLECTED € 2,497.9 m (+ 6.1%)

Fondiaria-SAI Group	Q1 2006	Q1 2005	% Change
Amounts in € m.			
Total Premiums Collected	2,497.9	2.354,1	(+ 6.1)
Consolidated Net Profit	166.8	160.9	(+ 3.7)

Rome, 10 May 2006. The Board of Directors Meeting of Fondiaria-SAI S.p.A. was held today, chaired by Jonella Ligresti, and approved the consolidated financial statements for the first quarter 2006.

The consolidated profit and loss account for the 1st quarter 2006 closed with a group profit for the period of € 134.8 m, an increase compared to the € 128.5 m from the same period last year.

Premiums collected amount to a total of € 2,497.9 m (+ 6.1%). In the Non-Life Branches, premiums collected directly reached € 1,824.4 m (+ 2.3%). Insurance management in this branch closed with a pre-tax profit of € 199.6 m. On the whole, technical results remain within highly significant levels.

The Life Branch achieved a pre-tax profit of € 70.5 m. Premiums collected directly reached € 669.9 m (+18.6%), due to the positive contributions from the traditional networks and the bancassurance channel.

Equity and financial management enabled the company to achieve gross income from financial instruments and property investment of € 276 m (€ 270 m in Q1 2005), as a result of the positive trend in stock markets, which offered the possibility to take advantage of trading opportunities.

Taxes for the period amount to € 104 m, with an incidence that is substantially in line with the figure from the 1st quarter 2005.

The results obtained, though taking into account the brief period of observation, confirm the Group's complete confidence in reaching the objectives it recently presented to the financial community.

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FONDIARIA - SAI GROUP

Highlights Profit and Loss

(EUR 000)

	31-mar-06	31-mar-05	31-dic-05
Net premium	2.408.504	2.228.847	9.096.306
Commission income	19.357	18.582	53.453
Net income on financial instruments at fair value through profit and loss	2.644	37.833	126.561
Income from subsidiaries, associates and joint ventures	12.332	417	46.838
Income from other financial instruments and investment property	275.586	270.340	993.096
<i>Interest income</i>	165.948	151.226	613.165
<i>Other income</i>	22.287	9.493	172.411
<i>Realised gains</i>	85.879	108.160	205.392
<i>Unrealised gains</i>	1.472	1.461	2.128
Other revenues	81.164	79.502	393.594
TOTAL REVENUES	2.799.587	2.635.521	10.709.848
Net charges relating to claims	1.855.521	1.806.950	7.480.620
Commission expense	12.649	10.326	30.837
Charges from subsidiaries, associates and joint ventures	0	155	2.976
Charges from other financial instruments and investment property	44.950	37.406	198.720
<i>Interest expense</i>	17.518	13.252	50.078
<i>Other expense</i>	7.651	9.665	32.771
<i>Realised losses</i>	9.022	8.494	50.814
<i>Unrealised losses</i>	10.759	5.995	65.057
Management expense	401.261	365.466	1.602.649
<i>Commissions and other acquisition expense</i>	311.578	270.939	1.219.864
<i>Investment management expense</i>	17.152	5.002	74.522
<i>Other administrative expense</i>	72.531	89.525	308.263
Other costs	214.072	143.455	562.918
TOTAL COSTS AND CHARGES	2.528.453	2.363.758	9.878.720
PROFIT (LOSS) FOR THE PERIOD BEFORE TAX	271.134	271.763	831.128
Tax	104.297	110.909	244.778
NET PROFIT (LOSS) FOR THE PERIOD	166.837	160.854	586.350
PROFIT (LOSS) ON DISCONTINUED OPERATIONS	0	0	0
CONSOLIDATED PROFIT (LOSS)	166.837	160.854	586.350
attributable to the Group	134.763	128.482	465.283
attributable to Minorities	32.074	32.372	121.067

FONDIARIA - SAI GROUP

Highlights Net Financial Position

(EUR 000)

	31-mar-06	31-dic-05	Var. %	31-mar-05
INVESTMENTS				
Investment properties	2.034.238	2.041.721	-0,37%	2.022.094
Investments in subsidiaries, associates and joint ventures	68.652	71.675	-4,22%	89.834
Held to maturity assets	0	0	0,00%	0
Loans and receivables	1.431.620	1.408.658	1,63%	1.520.078
Available-for-sale financial assets	21.815.373	20.972.111	4,02%	19.392.476
Assets at fair value through profit and loss	4.835.704	5.570.855	-13,20%	5.168.218
Total investments	30.185.587	30.065.020	0,40%	28.192.700
Tangible assets: buildings and other	1.111.466	1.086.135	2,33%	457.415
Total no-current assets	31.297.053	31.151.155	0,47%	28.650.115
Cash and cash equivalents	652.892	526.505	24,00%	577.325
Total no-current assets and cash	31.949.945	31.677.660	0,86%	29.227.440
NET TECHNICAL RESERVES				
Non-Life net technical reserves	10.413.350	10.752.732	-3,16%	10.657.066
Life net technical reserves	13.749.507	13.709.923	0,29%	12.326.157
Total net technical reserves	24.162.857	24.462.655	-1,23%	22.983.223
FINANCIAL LIABILITIES				
Hybrid liabilities	485.929	483.888	0,42%	394.997
Financial liabilities at fair value through profit and loss	3.395.744	3.231.858	5,07%	3.335.753
Other financial liabilities	1.520.946	1.456.632	4,42%	783.852
Total financial liabilities	5.402.619	5.172.378	4,45%	4.514.602