



Translated Press release

Shareholders' meeting called to cancel own shares

Milan, 16 October 2006 – The Board of Directors of Fondiaria-SAI, meeting today under the chairmanship of Jonella Ligresti, decided to call an extraordinary shareholders' meeting on 1 December 2006, at first convocation and, if necessary, on 4 December 2006, at second convocation, to take a decision regarding the proposal to reduce the share capital by € 177,680,822.00 to €168,190,610.00 by cancelling all 9,490,212 own ordinary shares held by said Company.

The transaction is one of the measures provided for by the Fondiaria-SAI Group 2006-2008 Industrial Plan presented to the financial community last April, which, as you will remember, specified, as one of the ways to reduce excess capital, a new two-phase plan to buy-back own shares worth approximately €400 million by 2008.

The first phase, to be implemented by the end of this year, provided for, in turn:

- completion of the own share buy-back programme in progress at that time up to the legal threshold of 10% of total share capital (compared with the previous 8.5%);
- cancellation of own shares in the portfolio.

The second phase, to be implemented in 2007 and 2008, provides for a new own share buy-back programme of up to a total of 6/7% of the share capital.

The proposal to reduce the share capital by cancelling all the own shares in the portfolio aims to complete the first phase of the process described above, also taking into consideration Fondiaria-SAI shares held by subsidiaries, once the own share buy-back programme currently authorised by the shareholders' meeting is almost complete.

The transaction in question is, therefore, a preliminary to the second phase of the process, for which the Board will request appropriate legal authorisation from the shareholders' meeting in April 2007.

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