



**FONDIARIA-SAI S.p.A.: Q3 2006 CONSOLIDATED ACCOUNTS APPROVED.
CONSOLIDATED PROFIT OF €452 MLN (+9.7%).**

Amounts in € mln.	30 September 2005	30 September 2006	% Change
Fondiaria-SAI Group			
Total premium income	6,928	6,973	(+ 0.7)
Pre-tax profit	622	679	(+ 9.1)
Consolidated profit	412	452	(+ 9.7)
Profit attributable to the Group	325	360	(+ 10.8)
Cons. Operating Combined Ratio	91.7%	90.5%	
Consolidated Combined Ratio	93.6%	94.4%	

Milan, 8 November 2006. The Board of Directors of Fondiaria-SAI S.p.A., chaired by Jonella Ligresti, today examined and approved the Q3 2006 consolidated accounts.

Consolidated accounts show profit before minority interests of €452 mln (€412 mln as at 30 September 2005, +9.7%), and Group profit for the period of €360 mln, up by 10.8%.

It should be specified that September 2005 figures were subjected to restatement in adaptation of a number of amendments to international accounting standards, already implemented in the 2005 accounts.

Gross premium income amounts to a total of € 6,973.2 mln (+0.7% over the same period of the previous year).

Non-life direct business premium income totalled €5,264.9 mln, up by 1.8%. The business management showed profit before tax of €505 mln, influenced by the higher impact of other

technical charges recorded for the half-year 2006. For this reason the Group Combined Ratio therefore stood at 94.4% (93.6% as at 30 September 2005). From the industrial point of view, the Loss Ratio improved from 72.1% to 71.4%, thereby confirming good management of claims. The Expense Ratio similarly decreased by 0.5% to 19.1%. Consequently, the operating Combined Ratio (Loss Ratio + Expense Ratio) decreased by 1.2%, from 91.7% to 90.5%.

Life premium income went up by 2.6% to €1,702 mln, mainly due to the temporary slide of certain commercial initiatives in the bancassurance portfolio.

However, the income from Life business investment contracts, not recorded under premium income, totalled approximately €800 mln.

The profit before tax for this business reached €142 mln.

The pre-tax results in other business (property and diversified) were also positive, totalling €32 mln.

Operating expenses increased by approximately 8.3% to €1,203 mln, compared to €1,110 mln as at 30 September 2005.

Total net income from investments reached €842 mln, compared to €839 mln as at 30 September 2005, including €38 mln income from shareholdings in subsidiaries, associated companies and joint ventures.

Total investments amounted to €31.8 bln, compared to €30.4 bln in the 2005 financial year.

Net technical reserves (life reserves included) were €24.6 bln, as against €24.7 bln at 2005 year-end.

In the light of preliminary data for Q3 2006, we believe that the positive expectations for 2006 year-end results will be confirmed, thereby reinforcing the Group's leadership in terms of profitability and efficiency.

At 15.30 today there will be a conference call with the financial community, during which CEO Fausto Marchionni will comment on Q3 figures.

In particular with reference to the Motor TPL line of business, it will be shown that:

- claims frequency is stable;
- the overall speed of claims settlement is still increasing;
- on the whole, average cost of the claims paid is below the general inflation rate;
- the average cost of the reserved claims is increasing, thus confirming the traditional prudent approach.

This presentation will be available on the website of the Company by the start of the conference call.

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FONDIARIA - SAI GROUP

Highlights Profit&Loss

(Eur 000)

	3rd Quarter 2006	3rd Quarter 2005	M9 2006	M9 2005
Net premium	2.201.323	2.229.264	6.930.187	6.801.506
Commission income	16.938	23.155	52.442	51.164
Net income on financial instruments at fair value through profit and loss	64.177	40.935	42.197	142.344
Income from subsidiaries, associates and joint ventures	11.779	14.085	38.149	30.141
Income from other financial instruments and investment property	275.531	201.394	899.392	741.924
<i>Interest income</i>	184.771	178.013	526.780	488.427
<i>Other income</i>	82.268	1.753	209.970	82.696
<i>Realised gains</i>	8.426	20.654	162.175	161.969
<i>Unrealised gains</i>	66	974	467	8.832
Other revenues	80.696	63.685	260.019	191.565
TOTAL REVENUES	2.650.444	2.572.518	8.222.386	7.958.644
Net charges relating to claims	1.858.390	1.868.322	5.637.429	5.676.567
Commission expense	9.633	23.644	30.418	30.990
Charges from subsidiaries, associates and joint ventures	-2.559	0	1	0
Charges from other financial instruments and investment property	82.973	39.725	200.353	115.834
<i>Interest expense</i>	20.694	20.979	63.043	40.597
<i>Other expense</i>	40.283	-1.352	75.938	34.053
<i>Realised losses</i>	12.111	11.737	32.342	24.052
<i>Unrealised losses</i>	9.885	8.361	29.030	17.132
Management expense	375.319	321.477	1.202.537	1.110.073
<i>Commissions and other acquisition expense</i>	276.770	238.749	902.301	842.521
<i>Investment management expense</i>	17.972	11.542	61.106	39.803
<i>Other administrative expense</i>	80.577	71.186	239.130	227.749
Other costs	110.898	133.710	472.735	402.732
TOTAL COSTS AND CHARGES	2.434.654	2.386.878	7.543.473	7.336.196
PROFIT (LOSS) FOR THE PERIOD BEFORE TAX	215.790	185.640	678.913	622.448
Tax	83.844	63.221	226.949	210.292
NET PROFIT (LOSS) FOR THE PERIOD	131.946	122.419	451.964	412.156
PROFIT (LOSS) ON DISCONTINUED OPERATIONS	0	0	0	0
CONSOLIDATED PROFIT (LOSS)	131.946	122.419	451.964	412.156
attributable to the Group	101.464	91.192	359.573	325.157
attributable to Minorities	30.482	31.227	92.391	86.999

FONDIARIA - SAI GROUP

Highlights Net Financial Position

(Eur 000)

	30 Sept 2006	30 Jun 2006	Change %	31 Dec 2005
INVESTMENTS				
Investment properties	2.094.748	2.050.590	2,15%	2.041.721
Investments in subsidiaries, associates and joint ventures	247.248	224.178	10,29%	71.675
Held to maturity assets			0,00%	
Loans and receivables	1.220.335	1.367.070	-10,73%	1.408.658
Available-for-sale financial assets	22.579.311	21.420.615	5,41%	20.972.111
Assets at fair value through profit and loss	5.650.481	5.314.572	6,32%	5.570.855
Total investments	31.792.123	30.377.025	4,66%	30.065.020
Tangible assets: buildings and other	1.130.150	1.124.423	0,51%	1.086.135
Total no-current assets	32.922.273	31.501.448	4,51%	31.151.155
Cash and cash equivalents	478.586	539.667	-11,32%	526.505
Total no-current assets and cash	33.400.859	32.041.115	4,24%	31.677.660
NET TECHNICAL RESERVES				
Non-Life net technical reserves				
Provision for unearned premiums	2.121.112	2.466.216	-13,99%	2.361.753
Provision for outstanding claims	8.285.290	8.427.322	-1,69%	8.381.043
Other provisions	4.423	11.118	-60,22%	9.935
Total Non-Life net technical reserves	10.410.825	10.904.656	-4,53%	10.752.731
Life net technical reserves				
Mathematical provision	12.878.925	12.652.602	1,79%	12.314.965
Provision for outstanding claims	203.656	203.681	-0,01%	102.806
Provisions for policies where the investment risk is borne by the policyholders	866.258	857.369	1,04%	950.944
Other provisions	258.490	35.238	633,55%	341.209
Total Life net technical reserves	14.207.329	13.748.890	3,33%	13.709.924
Total net technical reserves	24.618.154	24.653.546	-0,14%	24.462.655
FINANCIAL LIABILITIES				
Hybrid liabilities	792.209	487.247	62,59%	483.888
Financial liabilities at fair value through profit and loss	3.522.677	3.239.701	8,73%	3.231.858
Other financial liabilities	1.410.623	1.524.557	-7,47%	1.456.632
Total financial liabilities	5.725.509	5.251.505	9,03%	5.172.378