



PRESS RELEASE

Resolution to cancel own shares in portfolio

Florence, 4 December 2006 – In a move to improve the company's equity structure the Extraordinary Shareholders' Meeting of FONDIARIA-SAI, held today under the chairmanship of Jonella Ligresti, voted to reduce the share capital from €177,680,822.00 to €168,190,610.00 by cancelling all the 9,490,212 own ordinary shares held in the portfolio.

The operation, described in the Directors' Report to the Shareholders' Meeting and already communicated to the market, is part of the process of carrying out the FONDIARIA-SAI Group's 2006-2008 business plan, which was presented to the financial community in April.

Under current legislation the reduction in share capital will be not be carried out until 90 days after the Shareholders' resolution has been recorded in the Companies' Register.