

PRESS RELEASE

FONDIARIA-SAI S.p.A.: CONSOLIDATED ACCOUNTS FOR THE 1ST QUARTER 2007 APPROVED. TOTAL PREMIUM INCOME € 2,805.5m (+ 12.3%)

Fondiaria-SAI Group	Q1 2007	Q1 2006	% var.
Amounts in €m			
Total Premium Income	2,805.5	2,497.9	(+ 12.3)
Consolidated Net Profit	167.4	166.8	(+ 0.4)
Operating CR	86.3	85.2	
CR	91.5	92.4	

Milan, 10 May 2007. The Board of Directors of Fondiaria-SAI S.p.A. met today under the chairmanship of Jonella Ligresti and approved the consolidated accounts for the first quarter of 2007.

The consolidated profit and loss account closed with a group profit for the period of € 167.4, thus denoting a slight increase from the figure of € 166.8m reached in the same period of the previous year, which however benefited from significant capital gains achieved on investments of € 85m (€ 46m in the first quarter of 2007). The satisfactory performance of business operations is confirmed by the result of the technical account for the Non-Life classes, which grew from € 131.4m to € 153.0m, an increase of 16.4%.

Total premium income amounted to € 2,805.5m (+12.3%). Production as at 31 March 2007 includes the figures for the subsidiaries Liguria Assicurazioni, Liguria Vita, Capitalia Assicurazioni and 50% of Bipiemme Vita: in uniform terms the increase would have been equal to 7.5%. The figure does not include investment contracts in the life classes, which amount to approximately € 47m (€ 295m as at 31 March 2006).

In the Non-Life Classes, premium income from direct business reached € 1,847.4m (+ 1.3%).



The performance of claims reported was good (-3.6%: particularly in the Motor TPL class, claims fell by 7.7%. We should point out that the new direct compensation system was launched on 1 February this year but that the short time that has elapsed since then does not allow us to make a reliable assessment of the overall effects of this procedure being adopted.

The Combined Ratio improved thanks to the lesser impact of technical charges. The operating Combined Ratio remains excellent, despite the particularly prudent criteria still being applied to the valuation of the General TPL claims reserve.

Insurance business in the sector closed with a profit before tax of € 226.5m (€ 199.6m as at 31 March 2006).

The Life sector recorded before-tax profits of € 54.5m: the fall from the € 70.5m recorded in the corresponding period of the previous year is essentially due to the smaller amount of net profits from sales of assets. Premium income from direct business reached € 955.5m (+42.7%), thanks to the positive contribution from the traditional networks and the bancassurance channel: in uniform terms the increase would have been equal to 33.9%.

Asset and financial management achieved a gross revenue from financial instruments and property investments of € 275m (€ 276m in Q1 2006), thanks to the return recorded on investments in bonds.

The results achieved, even considering the short reporting period, confirm our full confidence in the Group's ability to achieve the targets recently presented to the financial community.

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FONDIARIA - SAI GROUP

Highlights Net Financial Position

(EUR 000)

	31 March 2007	31 December 2006	Var. %	31 March 2006
INVESTMENTS				
Investment properties	2,147,700	2,125,628	1.04%	2,034,238
Investments in subsidiaries, associates and joint ventures	275,598	155,921	76.75%	68,652
Held to maturity assets	0	0	0.00%	0
Loans and receivables	1,238,732	1,305,863	-5.14%	1,431,620
Available-for-sale financial assets	23,469,731	23,067,611	1.74%	21,815,373
Assets at fair value through profit and loss	7,279,571	7,157,453	1.71%	5,572,654
Total investments	34,411,332	33,812,476	1.77%	30,922,537
Tangible assets: buildings and other	1,181,331	1,164,620	1.43%	1,111,466
Total no-current assets	35,592,663	34,977,096	1.76%	32,034,003
Cash and cash equivalents	692,358	723,032	-4.24%	652,892
Total no-current assets and cash	36,285,021	35,700,128	1.64%	32,686,895
NET TECHNICAL RESERVES				
Non Life Technical Reserves				
Provision for unearned premiums	2,406,676	2,437,801	-1.28%	2,371,041
Provision for outstanding claims	8,469,532	8,529,076	-0.70%	8,032,398
Other technical provisions	10,498	10,501	-0.03%	9,911
Total Non Life Technical Reserves	10,886,706	10,977,378	-0.83%	10,413,350
Life Reserves				
Actuarial reserves	13,699,317	13,538,101	1.19%	12,531,645
Provision for amounts payable	207,116	203,548	1.75%	107,768
Technical provision where the investment risk is borne by the policyholders	1,349,883	1,126,403	19.84%	860,852
Other technical provisions	144,786	185,460	-21.93%	249,242
Total Life Reserves	15,401,102	15,053,512	2.31%	13,749,507
Total Technical Reserves	26,287,808	26,030,890	0.99%	24,162,857
FINANCIAL LIABILITIES				
Hybrid liabilities	805,423	807,386	-0.24%	485,929
Financial liabilities at fair value through profit and loss	4,663,074	4,842,032	-3.70%	3,395,744
Other financial liabilities	1,407,584	1,430,477	-1.60%	1,520,946
Total financial liabilities	6,876,081	7,079,895	-2.88%	5,402,619

FONDIARIA - SAI GROUP

Highlights Profit and Loss

(EUR 000)

	31 March 2007	31 March 2006	31 December 2006
Net premium	2,749,424	2,408,504	9,649,838
Commission income	28,684	19,357	76,499
Net income on financial instruments at fair value through profit and loss	19,657	2,644	80,267
Income from subsidiaries, associates and joint ventures	3,641	12,332	19,500
Income from other financial instruments and investment property	275,427	275,586	1,136,397
<i>Interest income</i>	201,914	165,948	710,662
<i>Other income</i>	27,925	22,287	228,534
<i>Realised gains</i>	45,537	85,879	196,917
<i>Unrealised gains</i>	51	1,472	284
Other revenues	88,829	81,164	400,946
TOTAL REVENUES	3,165,662	2,799,587	11,363,447
Net charges relating to claims	2,180,712	1,855,521	7,833,827
Commission expense	13,893	12,649	39,754
Charges from subsidiaries, associates and joint ventures	89	0	54
Charges from other financial instruments and investment property	57,058	44,950	257,787
<i>Interest expense</i>	22,248	17,518	88,097
<i>Other expense</i>	14,486	7,651	77,680
<i>Realised losses</i>	11,110	9,022	54,581
<i>Unrealised losses</i>	9,214	10,759	37,429
Management expense	432,807	401,261	1,644,278
<i>Commissions and other acquisition expense</i>	334,780	311,578	1,289,588
<i>Investment management expense</i>	3,235	17,152	10,462
<i>Other administrative expense</i>	94,792	72,531	344,228
Other costs	196,967	214,072	678,863
TOTAL COSTS AND CHARGES	2,881,526	2,528,453	10,454,563
PROFIT (LOSS) FOR THE PERIOD BEFORE TAX	284,136	271,134	908,884
Tax	116,722	104,297	308,116
NET PROFIT (LOSS) FOR THE PERIOD	167,414	166,837	600,768
PROFIT (LOSS) ON DISCONTINUED OPERATIONS	0	0	0
CONSOLIDATED PROFIT (LOSS)	167,414	166,837	600,768
attributable to the Group	135,458	134,763	481,204
attributable to Minorities	31,956	32,074	119,564