

## PRESS RELEASE

### The Board of Directors of Fondiaria-SAI votes to issue Irredeemable Subordinated Notes for up to €750,000,000.

**Milan, 15 October 2007** – The Board of Directors of Fondiaria-SAI S.p.A., meeting today, has voted to issue a subordinated bonded loan with indefinite duration ('irredeemable'), known as 'Fixed Floating Rate Perpetual Subordinated Notes' for a maximum of €750,000,000.

The bonded loan will consolidate the Company's capital and reserves in the medium to long term.

The bonds will have an indefinite duration. Repayment, which may take place from the tenth year of issue, will be possible only on the initiative of Fondiaria-SAI and will be subject to authorization by ISVAP. In particular repayment will always be possible as from the tenth year of issue.

Interest on the bonds will mature and be payable once a year, at an annual fixed rate to be determined immediately before issue, until the tenth year from the date of issue. If they are not redeemed the bonds will subsequently earn variable interest payable on certain dates in the year.

As announced on 9 October 2007, the issue, which has already obtained the required authorization from ISVAP, will be rated by Standard & Poor's. The issuer's current rating is BBB+ with positive outlook.

It is expected that the bonds will be placed exclusively with institutional investors outside the United States, in accordance with Regulation S (as defined in the US Law on Stocks and Shares of 1933 and subsequent amendments – 'Regulation S').

It is also expected that the bonds will be listed on the official market run by the Luxembourg Stock Exchange.

The issue is expected to take place in the next few weeks, depending on performance in the financial markets, following the roadshow which is to be held abroad.

The final terms of the issue will be announced after the bookbuilding and pricing procedures have been completed.

Mediobanca, UBS and Goldman Sachs will act as Joint Bookrunners for the operation. Mediobanca and UBS are the Joint Arrangers.

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