

PRESS RELEASE

Fondiaria-SAI S.p.A.: CONSOLIDATED ACCOUNTS FOR THE 3RD QUARTER OF 2007 APPROVED.

TOTAL PREMIUM INCOME REACHES € 8,681m (+24.5%).

CONSOLIDATED PROFIT OF € 463m (+2.4%).

	September 2007	30 September 2006	Var.%
Amounts in € million			
Fondiaria-SAI Group			
Total Premium Income	8,681	6,973	(+24.5)
Pre-tax result	722	679	(+ 6.3)
Consolidated result	463	452	(+ 2.4)
Group Profit	373	360	(+ 3.6)
Cons. Combined Operating Ratio	91.64%	90.50%	
Cons. Combined Ratio	94.38%	94.41%	

Milan, 12 November 2007. Under the chairmanship of Jonella Ligresti, the Fondiaria-SAI S.p.A. Board of Directors met today to approve the consolidated accounts for the third quarter of 2007.

The consolidated accounts closed with a profit, gross of minority interests, of € 463m (€ 452m as at 30 September 2006, +2.4 %), and a Group profit of € 373m, up by 3.6%.

Total gross premium income amounted to € 8,681m, denoting growth of 24.5% compared with the same period the previous year.

Direct Non-life business income amounted to € 5,297.0m, up by 0.6%.

Motor business premium income amounted to € 3,713.3m (- 1.3% compared with 30 September 2006). The performance reflects planned sales initiatives aimed at downsizing the fleet portfolio, in the main already achieved, as well as initiatives

to rebalance geographical areas and tariff sectors not displaying entirely satisfactory technical performances.

Premium income from other Non-life business amounted to € 1,583.8m, up by 5.5%. This growth intentionally prioritised the retail sector and is the result of a selective policy of underwriting risks aimed at safeguarding adequate profitability.

In total, claims filed were down by 0.1%. Due to the aforementioned corrective initiatives, this reduction was much more marked for Motor TPL (-3.89%).

The Group's Combined Ratio remains stable at 94.38%. The percentage of other technical charges dropped even further from 3.91% to 2.74%.

The Combined Operating Ratio (Loss Ratio + Expense Ratio) rose by around one percentage point from 90.50% to 91.64 %.

From an industrial perspective, the Loss Ratio improved, falling from 71.35% to 71.22%, confirming the positive trend in claims management. The Expense Ratio rose by around one percentage point to 20.42% (19.15% in the corresponding period the previous year). This increase was mainly due to the investment required in order to bring IT systems into line with new regulatory standards relating to direct compensation.

The pre-tax economic result for the sector was up from € 504.5m to € 533.2m.

Life Business premium income reached € 3,377.2m. in practice doubling (+98.4%) what was achieved at the end of September the previous year.

Data includes the 50% proportional consolidation of Bipiemme Vita to June and then its 100% proportional consolidation for the third quarter (a contribution amounting to € 294.4m) but, above all else, benefits from the excellent performance of Novara Vita, whose premium income – according to IFRS criteria – rose from € 57.1m to € 1,373.0m. New premium income, recorded using APE metrics, showed an increase of +99%, reaching € 302.5m.

The pre-tax result for the sector reached € 136.3m (€ 142.5m).

Pre-tax results for other business sectors (land and buildings and diversified) were positive, totalling € 52m (€ 33m).

Operating costs rose to € 1,351m from € 1,203m as at 30 September 2006, up by 12.4%.

Total gross investment income reached € 1,063m (€ 937m as at 30 September 2006).

Total investments reached € 38.8bn compared to € 33.8bn at the end of 2006.

Please note that the increase was mainly due to the change in the method of consolidating Bipiemme Vita, with an overall effect of € 1,803m, and to the inclusion of BPV Vita in the basis of consolidation, resulting in a contribution of € 2.744m.

On a level playing field, growth would have been 3.0%.



Net technical reserves (including Life reserves) amounted to € 30.4bn compared with € 26.0bn at the end of the previous year: of this, € 2.4bn related to BPV Vita.

In consideration of the figures achieved as at 30 September, we believe that positive expectations regarding end-of-year results will be confirmed, reinforcing the Group's leadership in terms of profitability and efficiency.

In addition, please note that the Director responsible for preparing the company accounts, Pier Giorgio Bedogni, states in accordance with paragraph 2 of art. 154-bis of the Consolidated Finance Law, that the accounting information contained in this press release corresponds to documentary evidence, ledgers and accounts.

At 15.30 a conference call will be held with the financial community, during which the CEO, Prof. Fausto Marchionni, will talk about the third quarter figures.

The presentation to the financial community will, however, be available on the company's website, running concurrently with the start of the conference call.

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FONDIARIA - SAI GROUP

Highlights Net Financial Position

(Eur 000)

	30 Sept 2007	30 Jun 2007	Var. %	FY 2006
INVESTMENTS				
Investment properties	2.097.308	2.127.058	-1,40%	2.125.628
Investments in subsidiaries, associates and joint ventures	274.381	275.445	-0,39%	155.921
Held to maturity assets	0	0	0,00%	0
Loans and receivables	1.199.787	1.250.993	-4,09%	1.305.863
Available-for-sale financial assets	24.263.269	23.838.916	1,78%	23.067.611
Assets at fair value through profit and loss	10.996.657	8.942.106	22,98%	7.157.453
Total investments	38.831.402	36.434.518	6,58%	33.812.476
Tangible assets: buildings and other	1.185.994	1.216.415	-2,50%	1.164.620
Total no-current assets	40.017.396	37.650.933	6,29%	34.977.096
Cash and cash equivalents	855.189	763.348	12,03%	723.032
Total no-current assets and cash	40.872.585	38.414.281	6,40%	35.700.128
NET TECHNICAL RESERVES				
Non-Life net technical reserves				
Provision for unearned premiums	2.289.522	2.517.310	-9,05%	2.437.801
Provision for outstanding claims	8.615.200	8.476.991	1,63%	8.529.076
Other provisions	10.481	10.731	-2,33%	10.501
Total Non-Life net technical reserves	10.915.203	11.005.032	-0,82%	10.977.378
Life net technical reserves				
Mathematical provision	15.095.549	14.381.832	4,96%	13.538.101
Provision for outstanding claims	288.032	312.054	-7,70%	203.548
Provisions for policies where the investment risk is borne by the policyholders	4.196.889	2.086.114	101,18%	1.126.403
Other provisions	-99.561	-23.214	328,88%	185.460
Total Life net technical reserves	19.480.909	16.756.786	16,26%	15.053.512
Total net technical reserves	30.396.112	27.761.818	9,49%	26.030.890
FINANCIAL LIABILITIES				
Hybrid liabilities	814.770	817.815	-0,37%	807.386
Financial liabilities at fair value through profit and loss	5.582.491	5.589.508	-0,13%	4.842.032
Other financial liabilities	1.317.598	1.526.209	-13,67%	1.430.477
Total financial liabilities	7.714.859	7.933.532	-2,76%	7.079.895

FONDIARIA - SAI GROUP

Highlights Profit&Loss

(Eur 000)

	Jan. - Sept. 2007	Jan. - Sept. 2006	3rd Quarter 2007	3rd Quarter 2006
Net premium	8.603.698	6.930.187	2.669.721	2.201.323
Commission income	89.946	52.442	29.699	16.938
Net income on financial instruments at fair value through profit and loss	-138.561	42.197	-136.549	64.177
Income from subsidiaries, associates and joint ventures	21.786	38.149	2.748	11.779
Income from other financial instruments and investment property	1.041.296	899.392	386.916	275.531
<i>Interest income</i>	626.972	526.780	222.985	184.771
<i>Other income</i>	192.451	209.970	41.684	82.268
<i>Realised gains</i>	221.717	162.175	122.181	8.426
<i>Unrealised gains</i>	156	467	66	66
Other revenues	252.622	260.019	33.734	80.696
TOTAL REVENUES	9.870.787	8.222.386	2.986.269	2.650.444
Net charges relating to claims	7.021.550	5.637.429	2.155.048	1.858.390
Commission expense	50.859	30.418	17.903	9.633
Charges from subsidiaries, associates and joint ventures	3.039	1	579	-2.559
Charges from other financial instruments and investment property	237.685	200.353	90.194	82.973
<i>Interest expense</i>	90.413	63.043	26.491	20.694
<i>Other expense</i>	38.288	75.938	7.163	40.283
<i>Realised losses</i>	81.576	32.342	47.267	12.111
<i>Unrealised losses</i>	27.408	29.030	9.273	9.885
Management expense	1.351.421	1.202.537	421.264	375.319
<i>Commissions and other acquisition expense</i>	1.075.038	902.301	320.863	276.770
<i>Investment management expense</i>	14.341	61.106	8.282	17.972
<i>Other administrative expense</i>	262.042	239.130	92.119	80.577
Other costs	484.320	472.735	104.147	110.898
TOTAL COSTS AND CHARGES	9.148.874	7.543.473	2.789.135	2.434.654
PROFIT (LOSS) FOR THE PERIOD BEFORE TAX	721.913	678.913	197.134	215.790
Tax	259.007	226.949	72.427	83.844
NET PROFIT (LOSS) FOR THE PERIOD	462.906	451.964	124.707	131.946
PROFIT (LOSS) ON DISCONTINUED OPERATIONS	-197	0	0	0
CONSOLIDATED PROFIT (LOSS)	462.709	451.964	124.707	131.946
attributable to the Group	372.558	359.573	95.741	101.464
attributable to Minorities	90.151	92.391	28.966	30.482