

(Translation from the Italian original which remains the master version)

| |
|---|
| <p>LAUNCH OF A CORPORATE – INDUSTRIAL RESTRUCTURING OF THE FONDIARIA-SAI GROUP</p> |
|---|

JOINT PRESS RELEASE

Pursuant to article 114 of Legislative decree no. 58/98

- **FONDIARIA-SAI APPROVES PUBLIC PURCHASE AND EXCHANGE OFFER FOR ALL ORDINARY SHARES OF IMMOBILIARE LOMBARDA S.P.A. NOT HELD DIRECTLY AND/OR INDIRECTLY BY ITSELF**
- **CONSIDERATION TO BE PAID PARTLY WITH MILANO ASSICURAZIONI SHARES HELD BY FONDIARIA-SAI AND PARTLY IN CASH**
- **BOARDS OF DIRECTORS OF FONDIARIA-SAI AND MILANO ASSICURAZIONI APPROVE GUIDELINES FOR GROUP CORPORATE/INDUSTRIAL RESTRUCTURING**

* * *

Milan, 30 January 2008

In their today's meeting chaired by JONELLA LIGRESTI, the directors of FONDIARIA-SAI approved the launch of a public purchase and exchange offer for all the ordinary shares of IMMOBILIARE LOMBARDA S.P.A. not held, directly or indirectly, by the Group (approx. 38.7% of its share capital), thus excluding the investments of 50.1% and 11.1% held by FONDIARIA-SAI and its subsidiary MILANO ASSICURAZIONI. This offer is part of the Group's major planned corporate/industrial restructuring, described further.

Should the offer be fully accepted by the other shareholders, FONDIARIA-SAI will pay a maximum consideration of € 231 million as follows:

- Approx. € 170 million (c. 74% of the total consideration) by the transfer of approx. 34.6 million ordinary MILANO ASSICURAZIONI S.P.A. shares, equal to 7.6% of its ordinary share capital,
- approximately € 61 million (c. 26% of the total consideration) in cash.

The press release issued pursuant to article 102 of the Consolidated Finance Act and article 37 of the Issuer Regulation today by FONDIARIA-SAI S.P.A. gives more details about this transaction.

The Boards of Directors of FONDIARIA-SAI and MILANO ASSICURAZIONI which met today chaired by JONELLA LIGRESTI and FAUSTO MARCHIONNI, respectively, have furthermore approved the guidelines for the Group's corporate and industrial restructuring. Briefly such project includes:

- the merger of SASA ASSICURAZIONI E RIASSICURAZIONI S.P.A. (99.9% owned by FONDIARIA-SAI) and SASA VITA S.P.A. (equally controlled by SASA and FONDIARIA-SAI) into MILANO ASSICURAZIONI;
- a share capital increase for MILANO ASSICURAZIONI reserved for its parent FONDIARIA-SAI, to be paid by contributing the entire investment in LIGURIA ASSICURAZIONI S.P.A. and, possibly, the portion exceeding 51% of the investment in IMMOBILIARE LOMBARDA held directly after the conclusion of the voluntary tender offer;

SASA ASSICURAZIONI E RIASSICURAZIONI S.P.A., ("SASA"), a well-established Trieste-based insurance company set up in 1923, was originally known as Società Anonima di Sicurtà fra Armatori as it was set up to provide insurance services to transporters. Over the years, SASA has extended its product range to cover all non-life lines of business. It has recently also entered the life insurance segment in which it is active via its subsidiary SASA VITA S.P.A..

SASA's core business remains non-life and it has a network of 400 agents spread throughout Italy. It also works with more than 100 brokers. Its forecast 2007 written premiums are € 474 million, showing a better growth than the previous year figures.

LIGURIA ASSICURAZIONI S.P.A., ("Liguria") was incorporated in Genoa in 1883 and provides both non-life services directly and life insurance services through its subsidiary LIGURIA VITA S.P.A.. Its core business is the motor third-party liability. Its distribution network is spread all over Italy with more than 250 agencies, most of which are located in central and northern Italy, especially in the smaller areas. The company estimates written premiums of € 247 million for 2007, improving 2006 results.

The restructuring guidelines approved today are based either on the Group's strategy to exploit and restructure its market position, as a consequence of the acquisitions succeed in the last few years or to the increasing competition in the market due to the recently legislative regulations. The final rationale of the operation is to improve efficiency and consequently value creation as shown by the results of the last years.

The project envisages Fondiaria-SAI becoming the parent of the insurance grouping, operating on the market through the management of the two traditional Fondiaria and SAI networks. It will have centralised strategic functions, including corporate and market monitoring activities. Milano Assicurazioni will head the second grouping including those assets deriving from the intense growth obtained through acquisitions over the past few years and increase their value.

This strategy has been designed to fully benefit from the excellent track records of the individual companies acquired while giving them independent operating powers and exploiting their size and organisation characteristics. This will preserve their typically flexible approach to the market, which has enabled them to build up

loyal agency networks and achieve excellent results in terms of written premiums. It will also allow them to match these values with cost synergies obtained from the restructuring.

In financial terms, the Group's restructuring will include the following advantages for the shareholders:

- a significant improvement in MILANO ASSICURAZIONI's capitalisation following the contributions in kind and the merger; this will lead to an increase in share liquidity and a re-rating in the Midex index;
- an increase in the liquidity of FONDIARIA-SAI's assets due to the exchange of unlisted assets (SASA and LIGURIA) with listed assets (MILANO ASSICURAZIONI shares);
- the possible future delisting of IMMOBILIARE LOMBARDA, will lead to:
 - more efficient in allocation of capital, risks and returns of the three core businesses of IMMOBILIARE LOMBARDA (facility management, property management and project development) within the Group;
 - benefits due to a more simplified management of the company's operations, with less of those requirements and expenses typical of listed companies, which will lead to cost savings.

The aforesaid restructuring will be subjected to the approval of the Boards of Directors of the companies in April/May based on the financial statements as at December, 31st 2007. It will then be presented to the extraordinary shareholders' meeting. The shareholders will take the related resolutions, considering the reports prepared by the experts as per the relevant regulations (articles 2343 – 2501 *sexies* of the Italian Civil Code and paragraph 6, article 2441 of the same Code).

The project execution will only marginally affect the Group's excess capital. Therefore, the transaction will not have any impact on the Group's industrial growth, dividend policies or buy back plans already communicated to the market.

The Board of Directors of Fondiaria SAI has appointed for the purposes of the public purchase and exchange offer:

- KPMG CORPORATE FINANCE as financial advisor to the bidder;
- SPAFID S.P.A. SOCIETÀ PER AMMINISTRAZIONI FIDUCIARIE as broker for the coordination and collection of acceptances of the offer;
- STUDIO LEGALE D'URSO GATTI & ASSOCIATI as legal advisor to the bidder.

The Boards of Directors of FONDIARIA-SAI and MILANO ASSICURAZIONI have also appointed management to identify financial and legal advisors to assist with the drafting of the Group's company evaluation to be used by the directors of the companies involved in the following phase of project.

PR Office

Federica Dal Conte
Claudia Galassi
tel. +39-02-66.70.43.24-366

Investor Relations

Luca Guasco,
Giancarlo Lana
Floriana Amari
tel. +39-011-66.57.642

