

TRANSLATED PRESS RELEASE

MILANO ASSICURAZIONI S.p.A.: DRAFT ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR 2005 APPROVED. PROPOSED DIVIDEND OF € 0.28 FOR ORDINARY SHARES (+7.7%) AND € 0.30 FOR SAVINGS SHARES (+7.1%).

Milano Assicurazioni S.p.A.

	2005	2004	Var. %
Amounts in Euro(m)			
Total premiums	3,304.1	3,168.6	(+ 4.3)
Technical result for Non-Life business	181.4	194.3	(- 6.6)
Technical result for Life business	24.8	52.6	(-52.9)
Ordinary result	296.3	327.0*	(- 9.4)
Profit for the year	233.1	230.1*	(+ 1.3)
*gross of "tax purging"			

Milano Assicurazioni Group

Total premiums	3,325.8	3,204.6	(+ 3.8)
Pre Tax profit	396.6	438.9	(- 9.6)
Consolidated profit	283.7	265.1	(+ 7.0)

Amounts in Euro

Dividend proposed for ordinary shares	0.28	0.26	(+ 7.7)
Dividend proposed for savings shares	0.30	0.28	(+ 7.1)
Coupon detachment May 2nd, 2006			

Combined Ratio (Cons.)	92.2%*	91.6%
*IAS/IFRS Compliant		

Milan, 27th March 2006. The Board of Directors of Milano Assicurazioni S.p.A. met today, chaired by Fausto Marchionni, and examined and approved the FY2005 draft accounts.

Parent Company

Fiscal Year 2005 recorded a net profit of € 233.1m (-23.9%); it has to be pointed out that FY04 result benefited from the elimination of tax interference (so-called “tax purging”) in the amount of € 76.1m: therefore, with homogeneous figures, FY05 result grows by 1.3%.

Ordinary result reached € 296.3m (-9.4%), a decrease partially due to higher write downs on the bond portfolio.

Total written premiums totalled € 3,304.1m (+4.3%), of which € 2,710m (+2.4%) in P&C business and € 594.2m (+13.6%) in Life. As far as P&C direct business is concerned, Motor business recorded € 1,973.3m (+2.5%), while non Motor business totalled € 726.8m (+3.6%). On the whole, reported claims increased by 5.1%, while Motor TPL only increased by 2%, with an increase of the average cost of the 2005 reported and settled claims limited to 2.5%.

Non Life technical result recorded € 182.3m (-6.6%) and was influenced by lower than expected results in some specific lines of business, in which corrective measures are already being implemented.

With regard to direct Life business, total written premiums were up to € 594m, increasing by 13.6%, also due to the constructive contribution of the agency network. The overall net technical result was € 24.8m (-52.9%), negatively impacted both by the settlement of the litigation with INA-Consap, which accounted for € 6.5m, and by negative trends of the financial markets that influenced the financial profits attributable to the technical account.

Administration costs totalled € 68.9m and were substantially in line with 2004; their incidence on premiums improved and was equal to 2.1% (2.2% in 2004).

Financial asset management achieved net revenue amounting to € 278.8m (+ 18%). Total investments reached € 8.6bn compared to € 8.2bn in 2004.

Consolidated Accounts

The 2005 consolidated financial statements, the first ones to be drawn up in compliance with the IAS/IFRS international accounting standards, show a consolidated profit of € 283.7m vs. € 265.1m of 2004 (+7%). It has to be pointed out that, in order to improve comparability, 2004 profit has been re-assessed according to the IAS/IFRS accounting standards, excluding, however, IAS 32 and 39 (financial instruments) and IFRS 4 (insurance contracts) applied only as from 1st January 2005. Therefore, figures are not completely comparable.

The most relevant issues of the fiscal year 2005 are:

Non Life business posted a pre tax profit of € 332.3m vs. € 352.5m of 2004. Technical results continued to stay at very satisfying levels, reaching however lower levels if compared to 2004. Combined Ratio (IAS/IFRS compliant) was 92.2% vs. 91.6% of 2004 (local GAAP compliant).

Life business showed a pre tax profit of € 63.2m vs. € 81.6m of 2004. This decrease is due to the financial incomes trend, influenced by the fall of the bonds yield of the last months of the fiscal year.

Also in this case, however, the comparison with 2004 can't be homogeneous because of the aforesaid non-application of IAS 32 and 39 and of IFRS 4.

Net revenue from financial asset management totalled € 337.1m; this result was achieved thanks to a careful balancement of the investments portfolio, able to grant high profitability and coherence to the strategical targets of the Fondiaria-SAI Group, particularly aimed to keep under control financial risks and to achieve all the opportunities showed by the financial markets.

Taxes for the fiscal year amounted to € 119.4m, showing an incidence on the gross profit significantly lower than the past year. As a matter of fact, fiscal burden for 2005 is the result on the one hand of the new rules for the taxation of the withdrawal from the deferred taxes provisions (€ 31.5m), equal to the charge of the part not more taxable, and on the other of the of the write-up of the stake in Generali decided in 2004 by the parent company Milano Assicurazioni.

The Board of Directors has resolved to propose to the Shareholders' Meeting, convened for 26th April next at 11.30 a.m., at the Atahotel Executive in Milan, (27th April next for the second calling, same time and place), the distribution of a dividend of € 0.28 on ordinary shares and € 0.30 on savings shares. Arrangements for payment of these dividends are proposed from 5th May 2006 onwards (detachment date 2nd May 2006). For the financial year 2003, respective dividends of € 0.26 and € 0.28 were distributed.

The draft financial statements and consolidated financial statements today approved by the Board of Directors will be made available to the public within the terms provided for by the legislation in force, at the company's headquarters and at Borsa Italiana S.p.A. in place of the quarterly report for the fourth quarter of 2005.

Press office
Federica Dalconte
+390266704324
Investor Relations
Raffaele Guasco
Giancarlo Lana
Floriana Amari
+390116657642