

PRESS RELEASE

**MILANO ASSICURAZIONI S.p.A.: Q3 2006 CONSOLIDATED ACCOUNTS APPROVED.
CONSOLIDATED PROFIT INCREASING: € 200.1 MLN (+6.9%)**

Milano Assicurazioni Group 30 September 2005 30 September 2006 % change

Amounts in € mln.

Total premium income	2,399	2,439	(+ 1.7)
Pre-tax profit	293.8	308.8	(+ 5.1)
Consolidated profit	187.5	200.1	(+ 6.9)

Milan, 8 November 2006. The Board of Directors of Milano Assicurazioni S.p.A., chaired by Fausto Marchionni, today examined and approved the consolidated accounts as at 30 September 2006.

It should be specified that September 2005 figures were subjected to restatement in adaptation of a number of amendments to international accounting standards, already implemented in the 2005 accounts.

The profit and loss account as at 30 September showed profit before minority interests of €200.2 mln, an increase of 6.8% compared to the result for the same period in the previous year, reclassified for comparison purposes. Group profit was recorded as €200.1 mln (+ 6.9%).

The Premium income amounts to a total of € 2,439 m (+ 1.7%).

Non-life business premium income totalled €2,026 mln (+1.8%).

The insurance management for this branch achieved a pre-tax profit of € 244.2 mln, compared to € 255.2 mln in Q3 2005. On the whole, technical results remain at highly satisfactory levels. Operating expenses for the branch totalled € 352.4 mln compared to € 343.5 mln for the same period in the previous year. The incidence on net premiums reduced from 17.3% to 17.1%.

The Life business achieved a pre-tax profit of € 62.6 mln, a significant improvement over the € 37.8 profit in Q3 2005. Premium income amounts to € 413 (+1.1%). It must be emphasised that the Class I total, which reached € 225.3 mln, has shown a 12.8% growth, confirming the quality of the commercial initiatives undertaken to involve the agency network in changes to the production mix.

Financial and asset management enabled the company to achieve net income from financial instruments and property investments of € 277.9 mln (€ 274.2 mln in Q3 2005), also as a result of the positive trend in stock markets, which offered the possibility to take advantage of trading opportunities.

The economic results achieved for this quarter are in line with Company planning and offers the forecast of satisfactory end-of-year results.

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Group Highlights Profit & Loss – 30th September 2006

(€ 000)	3Q 2006	3Q 2005	9M 2006	9M 2006
Net Premiums	785.525	790.922	2.463.042	2.384.782
Net Charges relating to claims	-645.698	-640.035	-1.957.800	-1.944.270
Net Commissions	271	-21	651	90
Net Income from subsidiaries, associates and joint ventures	548	55	802	436
Net Income on financial instruments at fair value through profit and loss	21.980	26.501	13.014	71.052
Net Income from other financial instruments and investment properties	67.980	57.342	264.099	202.694
Management Expenses	-112.536	-116.053	-374.373	-367.417
Other Revenues (Costs)	-16.805	-20.076	-100.631	-53.585
Profit (Loss) of the period before tax	101.265	98.635	308.804	293.782
Tax	-39.299	-33.480	-108.595	-106.691
Profit (Loss) of the period after tax	61.966	65.155	200.209	187.091
Profit (Loss) on discontinued operations	-	261	-	452
Consolidated Profit (Loss)	61.966	65.416	200.209	187.543
Profit (Loss) of the period attributable to Minorities	17	121	64	320
Consolidated Profit (Loss) attributable to the Group	61.949	65.295	200.145	187.223

Group Highlights Investments and Other Activities – 30th September 2006

<i>(€ 000)</i>	30/09/2006	30/06/2006	Change %	31/12/2005
Investment properties	370.467	369.957	0,14	370.136
Investments in subsidiaries, associates and joint ventures	105.485	103.749	1,67	4.820
Loans and receivables	189.656	255.267	-25,70	212.874
Held to maturity assets	-	-	-	-
Available-for-sale financial assets	8.213.465	7.694.630	6,74	7.580.602
Assets at fair value through profit and loss	781.089	754.876	3,47	876.255
TOTAL INVESTMENTS	9.660.162	9.178.479	5,25	9.044.687
CASH AND CASH EQUIVALENTS	123.537	97.858	26,24	156.649
Buildings	30.148	30.525	-1,24	30.519
Other tangible assets	100.105	93.669	6,87	80.106
TOTAL TANGIBLE ASSETS	130.253	124.194	4,88	110.625
TOTAL	9.913.952	9.400.531	5,46	9.311.961

Group Highlights Net Technical Reserves – 30th September 2006

<i>(€ 000)</i>	30/09/2006	30/06/2006	Change %	31/12/2005
NON-LIFE				
Provisions for unearned premiums	872.240	970.122	-10,09	961.988
Provisions for outstanding claims	3.268.823	3.173.682	3,00	3.153.068
Other insurance provisions	2.285	2.298	-0,57	2.084
Total Non-Life	4.143.348	4.146.102	0,07	4.117.140
LIFE				
Mathematical provisions	3.641.505	3.578.565	1,76	3.511.779
Provisions for outstanding claims	22.882	23.910	-4,30	5.390
Provisions for policies where the investment risk is borne by policyholders and provisions for pension funds	246.542	242.931	1,49	278.101
Other insurance provisions	119.108	44.276	169,01	197.853
Total Life	4.030.037	3.889.682	3,61	3.993.123
TOTAL	8.173.385	8.035.784	1,71	8.110.263