

PRESS RELEASE

MILANO ASSICURAZIONI S.p.A.: CONSOLIDATED ACCOUNTS FOR THE 1ST QUARTER 2007 APPROVED. TOTAL PREMIUM INCOME € 899m (+3.9%)

Milano Assicurazioni Group	Q1 2007	Q1 2006	% var.
Amounts in €m			
Total Premium Income	899.5	866.0	(+ 3.9)
Earnings Before Tax	119.1	117.4	(+ 1.5)
Consolidated Profit	72.4	71.3	(+ 1.5)
Operating CR	86.9	84.6	

Milan, 9 May 2007. The Board of Directors of Milano Assicurazioni S.p.A. met today under the chairmanship of Fausto Marchionni and approved the consolidated accounts for the first quarter of 2007.

The consolidated profit and loss account closed with a group profit for the period of € 72.4m, thus denoting a slight increase from the figure of € 71.3m reached in the same period of the previous year.

Total premium income was close to € 900m (+3.9%). In the Non-Life Classes, premium income from direct business reached € 679.7m (-3.1%).

Claims reported in the Motor TPL class fell by approximately 10%. We should point out that the new direct compensation system was launched on 1 February this year but that the short time that has elapsed since then does not allow us to make a reliable assessment of the overall effects of this procedure being adopted.

Claims reported have fallen overall by 8.3%.

Insurance business in the non-life sector closed with a profit before tax of € 89.2m, compared to a profit before tax of € 93.3m in the 1st quarter of 2006, which was however influenced by extraordinary items relating to property investments of approximately € 12m. The results are still very satisfactory and this is confirmed by the improvement in the overall technical performance, particularly in the Motor TPL class, where the restructuring action taken during the last financial year is leading to the expected recovery in profitability.

The operating Combined Ratio remains excellent, despite the particularly prudent criteria still being applied to the valuation of the General TPL claims reserve.

The Life sector achieved a profit before tax of € 26.3m, an increase on the € 22.3m recorded for Q1 06. The improvement is attributable, among other things, to the proportional consolidation of Bipiemme Vita, which made a positive contribution of € 2,635K.

Premium income reached € 216.4m (+33.5%). This significant development is essentially attributable to the proportional consolidation of 50% of the premium written by Bipiemme Vita during the first quarter of 2007. Net of this contribution, which amounts to € 53,798K, life premiums reached € 162.6m (+0.3%).

Asset and financial management achieved a net income from financial instruments and property investments of € 98.9m (€ 98.7m in Q1 2006). As previously mentioned, however, the same period of the previous year benefited from capital gains from the sale of properties.

Taxes for the period amount to € 46.7m, which is substantially similar to the figure for Q1 2006.

The results achieved, even considering the short reporting period, confirm our full confidence in the Group's ability to achieve its end-of-year objectives.

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MILANO ASSICURAZIONI S.p.A.

Group Highlights Profit & Loss – 31st March 2007

(€ 000)	Jan-Mar 2007	Jan-Mar 2006
Net Premiums	892.947	848.841
Net Charges relating to claims	-701.977	-638.165
Net Commissions	2.451	157
Net Income from subsidiaries, associates and joint ventures	607	-
Net Income on financial instruments at fair value through profit and loss	10.681	1.542
Net Income from other financial instruments and investment properties	87.581	97.133
Management Expenses	-132.648	-126.538
Other Revenues (Costs)	-40.543	-65.604
Profit (Loss) of the period before tax	119.099	117.366
Tax	-46.673	-46.040
Profit (Loss) of the period after tax	72.426	71.326
Profit (Loss) on discontinued operations	-	-
Consolidated Profit (Loss)	72.426	71.326
Profit (Loss) of the period attributable to Minorities	18	23
Consolidated Profit (Loss) attributable to the Group	72.408	71.303

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Group Highlights Investments and Other Activities – 31st March 2007

(€ 000)	31/03/2007	31/12/2006	Variaz. %	31/03/2006
Investment properties	375.805	375.294	+0,14	368.240
Investments in subsidiaries, associates and joint ventures	12.975	13.469	-3,67	4.820
Loans and receivables	143.815	148.619	-3,23	236.402
Held to maturity assets	-	-	-	-
Available-for-sale financial assets	8.967.550	8.836.179	+1,49	7.935.170
Assets at fair value through profit and loss	1.903.466	1.918.099	-0,76	802.714
TOTAL INVESTMENTS	11.403.611	11.291.660	+0,99	9.347.346
CASH AND CASH EQUIVALENTS	192.695	136.906	+40,75	269.508
Buildings	29.653	29.706	-0,18	30.359
Other tangible assets	131.951	124.371	+6,09	87.553
TOTAL TANGIBLE ASSETS	161.604	154.077	+4,89	117.912
TOTAL	11.757.910	11.582.643	+1,51	9.734.766