

PRESS RELEASE

MILANO ASSICURAZIONI S.p.A.: CONSOLIDATED ACCOUNTS FOR THE 3RD QUARTER OF 2007 APPROVED. CONSOLIDATED PROFIT UP BY 6.4% TO € 212.9M

Milano Assicurazioni Group 30 September 2006 30 September 2007 % var.

Amounts in €m

| | | | |
|-----------------------------|----------------|----------------|----------------|
| Total Premium Income | 2,439.2 | 2,573.6 | (+ 5.5) |
| Earnings Before Tax | 308.8 | 327.9 | (+ 6.2) |
| Consolidated Profit | 200.1 | 212.9 | (+ 6.4) |
| Cons. Combined Ratio | 93.9% | 93.7% | |

Milan, 9 November 2007. The Board of Directors of Milano Assicurazioni S.p.A. met today under the chairmanship of Fausto Marchionni and approved the consolidated accounts as at 30 September 2007.

The consolidated profit and loss account as at 30 September 2007 closed with a Group profit for the year of € 212.9m, up by 6.4% compared to the same result for the previous financial year.

Total premium income was € 2,573.6m (+5.5%).

In the Non-Life Classes, premium income from direct business was € 1,930.5m (-3.8%). Premiums in the Motor Classes amount to € 1,411.3m (-5.9% compared to 30 September 2006). The performance reflects the sales strategy, which is aimed at achieving a gradual improvement in the combined ratio by reducing the size of the fleets portfolio, which has for the most part been implemented, and by implementing reorganisation plans in geographical areas and tariff sectors where technical performance has been unsatisfactory. In fact claims performance has already shown an improvement.

In the other Non-Life Classes, premium income amounts to €519.1m, an increase of 2.4%. This development is the result of an underwriting policy aimed at continuing to ensure that

adequate profit margins are safeguarded. In particular, whereas a strong boost has been given to the retail sector, which provides satisfactory profitability, the high level of competition that continues to exist in the corporate sector makes it difficult to achieve significant growth in the volume of business while endeavouring to ensure that underwriting policies are based on respect for the correct technical parameters.

The Group Combined Ratio was 93.7% (93.9% as at 30 September 2006). The overall technical result remains broadly satisfactory.

Operating costs for the sector amount to € 350.1m, compared to € 352.4m. They account for 17.9% of net premiums, slightly more than the figure for the same period of the previous year (17.1%) but improving compared to the figure as at 30 June 2007.

The Life sector produced a profit before tax of € 70.7m, an improvement compared to the profit of € 62.6m recorded as at the 3rd quarter of 2006. Premium income reached € 638.4m (+54.6%). Total income in Class I is also worth highlighting. It grew by 44.7% to € 325.9m.

This significant development has essentially been achieved as a result of the contribution of Bipiemme Vita, which has been included in the consolidated scope since the 4th quarter of 2006. On an equal consolidation scope basis, i.e. excluding this contribution, which amounts to € 294.4m, premium income amounts to € 344m, having fallen by 16.7% compared to 30 September 2006. This fall is mainly due to a lower volume of pure capitalisation policies with institutional clients, a sector in which the company has decided to operate only if sufficient profitability margins can be achieved, in a market context that often offers underwriting opportunities that are not adequately remunerative. Total production achieved by the network of agencies has instead grown.

Asset and financial management achieved net income from financial instruments and property investments of € 326.1m (€ 277.9m as at the 3rd quarter of 2006, which did not yet include the Bipiemme Vita contribution). On an equal consolidation scope basis, value at 30 September 2007 would be € 295.5, an increase of 6.3% compared to the same period of the previous year.

In a context of high market volatility resulting from the subprime crisis and the consequent reappraisal of the risk factors inherent in various financial instruments, the Parent Co.'s operations were directed at benefiting from the opportunities offered by the markets, both in the fixed rate field, where the duration of life and non-life portfolios was optimised, and in the equities field, where profitable trading activities were carried out with the aim, among other things, of directing the portfolio towards sectors offering the greatest potential for growth.

The financial result achieved during the quarter in question is in line with the plans made by the Company, pointing to a satisfactory result for the financial year and an improvement on the figures recorded at the end of the last financial year.

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Group Highlights Profit & Loss – 30th September 2007

| (€ 000) | 3rd Quarter 2007 | 3rd Quarter 2006 | Jan-Sept 2007 | Jan-Sept 2006 |
|---|---------------------|---------------------|------------------|------------------|
| Net premiums | 833.653 | 785.525 | 2.588.653 | 2.463.042 |
| Commission income | 6.714 | 309 | 16.094 | 776 |
| Net income on financial instruments at fair value through profit and loss | -7.537 | 21.980 | 7.827 | 13.014 |
| Income from subsidiaries, associates and JV | 166 | 548 | 976 | 802 |
| Income from other financial instruments and investment property | 128.038 | 79.149 | 371.913 | 290.448 |
| - Interest income | 80.890 | 62.305 | 217.103 | 176.603 |
| - Other income | 14.393 | 12.937 | 65.497 | 52.189 |
| - Realised gains | 32.755 | 3.907 | 89.313 | 61.656 |
| - Unrealised gains | - | - | - | - |
| Other revenues | 5.223 | 8.441 | 63.174 | 52.432 |
| Total revenues | 966.257 | 895.952 | 3.048.637 | 2.820.514 |
| Net charges relating to claims | 696.188 | 645.698 | 2.104.593 | 1.957.800 |
| Commission expense | 5.679 | 38 | 12.530 | 125 |
| Charges from subsidiaries, associates and JV | 53 | - | 119 | - |
| Charges from other financial instruments and investment property | 26.182 | 11.169 | 54.454 | 26.349 |
| - Interest expense | 4.547 | 3.408 | 12.586 | 6.764 |
| - Other expense | 2.043 | 2.024 | 6.378 | 6.412 |
| - Realised losses | 18.200 | 4.547 | 31.354 | 9.360 |
| - Unrealised losses | 1.392 | 1.190 | 4.136 | 3.813 |
| Management expense | 104.767 | 112.536 | 381.118 | 374.373 |
| - Commissions and other acquisition expense | 96.892 | 95.097 | 327.714 | 319.184 |
| - Investment management expense | 1.464 | 856 | 4.690 | 3.824 |
| - Other administrative expense | 6.411 | 16.583 | 48.714 | 51.365 |
| Other costs | 38.112 | 25.246 | 167.961 | 153.063 |
| Total costs and charges | 870.981 | 794.687 | 2.720.775 | 2.511.710 |
| Profit (Loss) for the period before tax | 95.276 | 101.265 | 327.862 | 308.804 |
| Tax | 35.513 | 39.299 | 115.021 | 108.595 |
| Net profit (loss) for the period | 59.763 | 61.966 | 212.841 | 200.209 |
| Profit (Loss) on discontinued operations | - | - | -197 | - |
| Consolidated profit (loss) | 59.763 | 61.966 | 212.644 | 200.209 |
| Attributable to minorities | -331 | 17 | -299 | 64 |
| Profit (Loss) of the Group | 60.094 | 61.949 | 212.943 | 200.145 |

Group Highlights Investments and Other Activities – 30th September 2007

| <i>(€ 000)</i> | 30/09/2007 | 30/06/2007 | Change % | 31/12/2006 |
|--|-------------------|-------------------|-----------------|-------------------|
| Investment properties | 376.219 | 376.279 | -0,0 | 375.294 |
| Investments in subsidiaries, associates and joint ventures | 12.783 | 12.663 | +0,9 | 13.469 |
| Loans and receivables | 145.603 | 147.263 | -1,1 | 148.619 |
| Held to maturity assets | - | - | - | - |
| Available-for-sale financial assets | 9.656.277 | 9.497.347 | +1,7 | 8.836.179 |
| Assets at fair value through profit and loss | 2.898.983 | 2.983.551 | -2,8 | 1.918.099 |
| TOTAL INVESTMENTS¹ | 13.089.865 | 13.017.103 | +0,6 | 11.291.660 |
| CASH AND CASH EQUIVALENTS | 199.038 | 190.448 | +4,5 | 136.906 |
| Buildings | 29.581 | 29.822 | -0,8 | 29.706 |
| Other tangible assets | 145.523 | 140.076 | +3,9 | 124.371 |
| TOTAL TANGIBLE ASSETS | 175.104 | 169.898 | +3,1 | 154.077 |
| TOTAL | 13.464.007 | 13.377.449 | +0,6 | 11.582.643 |

Group Highlights Net Technical Reserves – 30th September 2007

| <i>(€ 000)</i> | 30/09/2007 | 30/06/2007 | Change % | 31/12/2006 |
|--|-------------------|-------------------|-----------------|-------------------|
| NON-LIFE | | | | |
| Provisions for unearned premiums | 843.078 | 968.265 | -12,9 | 958.933 |
| Provisions for outstanding claims | 3.261.989 | 3.383.056 | -3,6 | 3.402.204 |
| Other insurance provisions | 3.107 | 3.066 | +1,3 | 2.750 |
| Total Non-Life | 4.108.174 | 4.354.387 | -5,7 | 4.363.887 |
| LIFE | | | | |
| Mathematical provisions | 5.006.141 | 5.098.184 | -1,8 | 4.337.552 |
| Provisions for outstanding claims | 35.564 | 37.494 | -5,1 | 35.687 |
| Provisions for policies where the investment risk is borne by policyholders and provisions for pension funds | 226.627 | 253.307 | -10,5 | 255.730 |
| Other insurance provisions | 4.003 | 20.649 | -80,6 | 88.254 |
| Total Life | 5.272.335 | 5.409.634 | -2,5 | 4.717.223 |
| TOTAL | 9.380.509 | 9.764.021 | -3,9 | 9.081.110 |

Group Highlights Financial Liabilities – 30th September 2007

| <i>(€ 000)</i> | 30/09/2007 | 30/06/2007 | Change % | 31/12/2006 |
|---|-------------------|-------------------|-----------------|-------------------|
| Financial liabilities at fair value through profit and loss | 2.235.793 | 2.274.281 | -1,7 | 1.233.285 |
| Other financial liabilities | 320.146 | 321.424 | -0,4 | 314.511 |
| TOTAL | 2.555.939 | 2.595.705 | -1,5 | 1.547.796 |