

PRESS RELEASE

**MILANO ASSICURAZIONI S.p.A.: Q1 2008 CONSOLIDATED RESULTS APPROVED.
IMPROVEMENT IN THE COMBINED RATIO (91.9%) AND TOTAL PREMIUMS WRITTEN
EURO 906.4 MILLION (+0.8%).**

Milano Assicurazioni Group

	Q1 2008	Q1 2007	Cge %
Amounts in Euro Millions			
Total Premiums Written	906.4	899.5	(+ 0.8)
Pre-Tax Profit	86.8	119.1	(- 27.1)
Group profit	58.2	72.4	(- 19.6)
CoR	91.9%	92.6%	
Operating CoR	84.9%	86.9%	

Milan, May 12, 2008 - In a meeting chaired by Fausto Marchionni, the Milano Assicurazioni S.p.A. Board of Directors approved the consolidated results for the first quarter 2008.

Total premiums written amounted to Euro 906.4 million, a small increase (+0.8%) on the previous year.

In the Non-Life Division direct premiums written decreased by 3.6%. In the Motor classes, premiums written fell by 6.6%, amounting to Euro 463.4 million, principally due to the changed market conditions, among which the recent regulatory changes, which had an impact of approx. Euro 11 million, and the restructuring of the portfolio relating to negative technical policies.

In the Other Non-Life Classes, total premiums amounted to Euro 191.8 million, a growth of 4.5%, confirming the good performance of premiums written, especially in the retail sector.

Overall, the technical performance of the Non-Life sector was very satisfactory, with a Combined Ratio of 91.9%, an improvement of 0.7 percentage points. The improvement in the Operating Combined Ratio (Loss + Expense Ratio) was even more pronounced - from 86.9% to 84.9% - thanks to the better claims to premium ratio in the year which decreased to 66.1%

from 69% in the first quarter of 2007. The restructuring actions undertaken in the Motor TPL division by the Group are contributing to better results (as evidenced last year).

Overall, the claims reported decreased by 3.7%. In particular, in the Motor TPL division the claims reported in the first quarter of 2008 decreased by 8.3% compared to the first quarter of 2007.

The pre-tax profit in the Non-Life Division amounted to Euro 81.3 million (Euro 89.2 million in the first quarter of 2007), impacted by the lower contribution from financial income (Euro 27.2 million compared to Euro 36.5 million in the first quarter of 2007).

Premiums written in the Life Division grew by 15.3%, amounting to Euro 249.6 Million. The increase is due to the change in the consolidation method of Bipiemme Vita to full consolidation in the current quarter from proportional consolidation in the first quarter of 2007. Life premiums on a like-for-like basis decreased by 7.6% due to the lower contribution of the securitisation policies. This decrease, resulting from the strategic choices taken by the Group, was of 81.1% and reducing the percentage on total direct premiums to just over 7% (43% in the first quarter of 2007).

The company's objectives of focusing on profitability and customer loyalty in the medium-long term period has allowed the positive performance of the agency channel relates to the placement of traditional products, recording growth of approx. 12%.

The Life Division reports a pre-tax profit of Euro 1.5 million, a significant decrease on Euro 26.3 million in the first quarter of 2007. This result is largely attributable to the negative performance of the financial markets and therefore to the reduced contribution from investment income.

The asset and financial management contributed net revenues from financial instruments and investment property of Euro 72.6 million (Euro 98.9 million in Q1 2007). The strong turbulence on the financial markets resulted in the recording of a loss on fair value investments in the income statement of Euro 17.9 million, compared to net income of Euro 10.7 million in the same period of the previous year which reduced the effect of the continual prudent investment policy which permitted, in the quarter, net income of Euro 90.4 million from the other financial instruments and property investments, with a small increase (+3.2%) year on year.

Management expenses, amounting to Euro 135.4 million (of which Euro 124.1 million in the Non-Life Division) were 15% of net premiums, In line with the first quarter of 2007.

Income taxes amounted to Euro 30.2 million, with a tax rate of 34.8% and a decrease of 4.4 percentage points compared to the first quarter of 2007, due to the introduction of new income tax rates.

The Group consolidated net profit for the period amounted to Euro 58.2 million, a decrease compared to the first quarter of 2007.

The underwriting policy of the Group in the year will continue to pursue the objective, already declared repeatedly, of the growth of premiums, maintaining high profitability on the portfolio acquired.

In particular, the motor sector will benefit from the launch, in March, of the new product Nuova 1a Global, with common tariffs and conditions for all the commercial networks and whose selling points are the clarity in the contractual terms and conditions and the flexibility and range of insurance content. In fact, the first results from the performance of the premiums written in the Motor TPL division report an improvement which we believe can lead to a reversal of the trend.

The asset and financial management will follow closely the turbulence on the financial markets concerned with the liquidity crisis and inflation and recession worries.

The current market conditions make it particularly difficult to forecast the contribution of the asset and financial management for the year 2008. However, given the prudent investment management policy and the high quality of the investments, it is reasonable to assume marginal effects relating to the current financial crisis.

The Executive Responsible for the preparation of the corporate accounting documents, Pier Giorgio Bedogni, declares in accordance with article 154 bis, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in the present press release corresponds to the underlying accounting documents, records and accounting entries.

Definitions and Glossary

Combined Ratio = the Loss Ratio and total expenses (general and acquisition charges and other net technical charges) on premiums.

Combined Operating Ratio = the Loss Ratio and general and acquisition charges (Expense Ratio) on premiums.

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Group Highlights Profit & Loss – 31st March 2008

(€ 000)	31/03/2008	31/03/2007
Net premiums	901.590	892.947
Commission income	7.747	3.159
Net income on financial instruments at fair value through profit and loss	-17.851	10.681
Income from subsidiaries, associates and JV	100	607
Income from other financial instruments and investment	121.947	97.734
- Interest income	81.131	65.871
- Other income	22.177	13.996
- Realised gains	18.639	17.867
- Unrealised gains	-	-
Other revenues	34.794	24.776
Total revenues	1.048.327	1.029.904
Net charges relating to claims	694.228	701.977
Commission expense	3.813	708
Charges from subsidiaries, associates and JV	-	-
Charges from other financial instruments and investment property	31.584	10.153
- Interest expense	4.258	4.230
- Other expense	7.549	2.046
- Realised losses	17.547	2.483
- Unrealised losses	2.230	1.394
Management expense	135.406	132.648
- Commissions and other acquisition expense	113.397	112.103
- Investment management expense	1.736	1.750
- Other administrative expense	20.273	18.795
Other costs	96.489	65.319
Total costs and charges	961.520	910.805
Profit (Loss) for the period before tax	86.807	119.099
Tax	30.238	46.673
Net profit (loss) for the period	56.569	72.426
Profit (Loss) on discontinued operations	-	-
Consolidated profit (loss)	56.569	72.426
Attributable to minorities	-1.591	18
Profit (Loss) of the Group	58.160	72.408

Group Highlights Investments and Other Activities - 31st March 2008

(€ 000)	31/03/2008	31/12/2007	Change %	31/03/2007
Investment properties	387.356	388.425	-0,3	375.805
Investments in subsidiaries, associates and joint ventures	12.888	12.787	+0,8	12.975
Loans and receivables	295.534	145.187	+103,6	143.815
Held to maturity assets	-	-	-	-
Available-for-sale financial assets	9.188.264	9.417.289	-2,4	8.967.550
Assets at fair value through profit and loss	2.755.696	2.836.966	-2,9	1.903.466
TOTAL INVESTMENTS	12.639.738	12.800.654	-1,3	11.403.611
CASH AND CASH EQUIVALENTS	163.205	164.564	-0,8	192.695
Buildings	29.740	30.022	-0,9	29.653
Other tangible assets	153.870	153.245	+0,4	131.951
TOTAL TANGIBLE ASSETS	183.610	183.267	+0,2	161.604
TOTAL	12.986.553	13.148.485	-1,2	11.757.910

Group Highlights Net Technical Reserves - 31st March 2008

(€ 000)	31/03/2008	31/12/2007	Change %	31/03/2007
NON-LIFE				
Provisions for unearned premiums	883.792	908.054	-2,7	916.167
Provisions for outstanding claims	3.085.069	3.164.434	-2,5	3.222.065
Other insurance provisions	3.890	3.700	+5,1	2.748
Total Non-Life	3.972.751	4.076.188	-2,5	4.140.980
LIFE				
Mathematical provisions	5.003.490	4.946.732	+1,1	4.264.599
Provisions for outstanding claims	41.198	54.933	-25,0	28.032
Provisions for policies where the investment risk is borne by policyholders and provisions for pension funds	415.252	427.583	-2,9	259.809
Other insurance provisions	-11.801	-9.677	+21,9	70.324
Total Life	5.448.139	5.419.571	+0,5	4.622.764
TOTAL	9.420.890	9.495.759	-0,8	8.763.744

Group Highlights Financial Liabilities - 31st March 2008

(€ 000)	31/03/2008	31/12/2007	Change %	31/03/2007
Financial liabilities at fair value through profit and loss	1.786.110	1.949.416	-8,4	1.204.879
Other financial liabilities	314.099	316.122	-0,6	311.319
TOTAL	2.100.209	2.265.538	-7,3	1.516.198