

PRESS RELEASE

Q3 2008 CONSOLIDATED RESULTS APPROVED
STEADY TOTAL PREMIUMS WRITTEN OF EURO 2,539 MILLION (-1.4%)
GROUP NET PROFIT OF EURO 176 MILLION (-17.4%)
SOLVENCY MARGIN 1.9 TIMES MINIMUM SUPERVISORY AUTHORITY REQUIREMENT

Milano Assicurazioni Group

| | September 30, 2008 | September 30, 2007 | Cge. % |
|-------------------------------|---------------------------|---------------------------|----------------|
| Amounts in Euro mil. | | | |
| Total premiums written | 2,538.5 | 2,573.6 | (- 1.4) |
| Group net profit | 176.0 | 212.9 | (-17.4) |
| Combined Ratio Cons. | 95.4% | 93.9% | |

Milan, November 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 nine months of 2008.

The Group consolidated net profit for the first nine months amounted to Euro 176 million, a decrease of 17.4% on the same period in the previous year.

Total premiums written amounted to Euro 2,538.5 million, a decrease on the same period of the previous year (-1.4%).

In the Non-Life Division, direct premiums written amounted to Euro 1,814.1 million (-6%). Within the Motor Classes, premiums written amounted to Euro 1,298.4 million (-8% on the first nine months of 2007).

The Motor Classes were affected by the significant contraction in the registration of new motor vehicles, strong competitive pressures following greater price flexibility and tariff diversification, and also the effects of Law No. 40/2007 (so-called Bersani bis) in relation to the attribution of the bonus/malus class, with a consequent drop in the average premium.

The restructuring effects of the multi-claim portfolio also continue, implemented in the previous year in line with the industrial strategies.

Premiums written in the other Non-Life Classes amounted to Euro 515.7 million, a small decrease on the same period of 2007 (-0.7%).

A selective underwriting policy of the risks was undertaken aimed at ensuring adequate profitability. In the corporate sector, the ongoing extremely competitive market conditions render significant growth difficult as it is essential that an acquisition policy of contracts is based on compliance with the correct technical parameters.

At September 30, 2008, the combined ratio, net of outward reinsurance, was 95.4% compared to 93.9% in the same period of the previous year.

The overall pre-tax result was satisfactory, amounting to Euro 227 million compared to Euro 254 million in the same period of 2007, thanks to the good performance of the Motor TPL and Land Vehicle classes and the good technical performances recorded in the other classes.

The management expenses of the non-life sector amounted to Euro 365.9 million compared to Euro 350.1 million; these costs, as a percentage of net premiums, were 19.7%, an increase on the same period of the previous year (17.9%), principally due to higher amortisation of the commissions on the long-term contracts.

Premiums written in the Life Division reached Euro 718.4 million (+12.5%). The result of the Class I business is noteworthy, amounting to Euro 573.4 million, growth of 75.9%.

The strong growth in the Life business principally derives from the contribution of Bipiemme Vita which was fully consolidated from the second half of 2007 (50% proportional in the first half of 2007). On a like-for-like consolidation basis, premiums recorded a decrease of 8.1% on the same period of 2007. The decrease is principally related to the lower volumes of pure securitisation contracts with institutional clients, a sector in which it was decided only to operate where sufficient margins exist as adequate remuneration is often not attainable.

The pre-tax profit of the Life division was Euro 19.2 million (Euro 70.7 million in the first nine months of 2007). The decrease is principally due to the lower contribution of financial income, which decreased to Euro 132 million from Euro 172 million in the first nine months of 2007. Greater charges related to the business in force of Bipiemme Vita were also evident following the change in the consolidation method of the income statement from 50% proportional (until June 30, 2007) to full consolidation.

The asset and financial management contributed net income from financial instruments and investment property of Euro 297.1 million (Euro 326.1 million in Q3 2007). In particular, the net income deriving from other financial instruments and investment property amounted to Euro 248.9 million, a decrease of 21.6% on the first nine months of 2007, while the fair value financial instruments recorded through profit or loss recorded net income of Euro 47.8 million (Euro 7.8 million net income in the first nine months of 2007), including Euro 15.6 million of charges relating to class D products which, however, in the first nine months of 2007 derived income of Euro 3.1 million. The results include the effects of the reclassification of part of the financial instrument portfolio from HFT to AFS, with a positive impact on the result, net of taxes and the shadow accounting effect, of approx. Euro 16 million.

The significant change in the above two categories of income is prevalently related to the partial closure of the hedging operations, undertaken to cover the non realised gains relating to shares of Generali, Unicredit and Mediobanca held in portfolio, together with the partial liquidation of some of these positions.

The group net equity decreased from Euro 1,715.5 million at June 30, 2008 to Euro 1,641.3 million at September 30, 2008, therefore recording a decrease of Euro 74.2 million, principally

due to the decrease in the reserve relating to the available-for-sale financial assets (Euro 121.8 million), and only partially offset by the profit for the period.

With reference to Lehman Brothers, we report that the Milano Assicurazioni group, at September 30, 2008, held debt financial instruments issued by Lehman Brothers for a total book value of Euro 4.8 million, of which Euro 3.3 million classified in class D. These amounts are net of value adjustments of Euro 9.1 million (of which Euro 6.8 million relating to securities in class D), determined on the basis of today's expected recovery rate.

The positive results up to September 30, 2008 provide the basis, for the full year, for the achievement of satisfactory technical results, although within a general market scenario in which the development of Motor business is penalised.

The current strong turbulence and volatility in the financial markets, preoccupied with the liquidity crisis, inflationary concerns and recessionary fears, make it particularly difficult to forecast the contribution of the asset and financial management for the year 2008.

In this context it is underlined that the Group's solvency margin is 1.9 times the minimum supervisory authority requirement. This balance sheet ratio, even under stress testing conditions, assuming a further fall in all listed equity securities of 15% on the share prices at September 30, 2008, would be 1.5 times the minimum requirement at Group level, while the parent company Milano Assicurazioni S.p.A. would have a statutory solvency margin of 1.7 times the minimum requirement.

The corporate/industrial reorganisation of the Fondiaria-SAI Group will also take place in the final quarter of the year, whose guidelines were approved by the Board of Directors on January 30, 2008 and in relation to which the Extraordinary Shareholders' Meeting of October 8, 2008 approved the share capital increase reserved to Fondiaria-SAI to service the conferment of the holdings in Liguria Assicurazioni and Immobiliare Lombarda as well as the merger by incorporation into Milano Assicurazioni of Sasa Assicurazioni and Sasa Vita.

This project will also result in an increase in consolidated premiums of approx. Euro 700 million, further enhancing the value of the Milano Assicurazioni group and consolidating its market presence.

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 Finance Act, that the accounting information contained in the present press release corresponds to the underlying accounting documents, records and accounting entries.

At the time of 15.00, a conference call will be held with the financial community, in which Mr. Fausto Marchionni will comment on the results for the third quarter.

The presentation will also be available on the Internet site of the company at the beginning of the conference call.

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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CONSOLIDATED PROFIT AND LOSS

| (€ 000) | 3Q2008 | 3Q2007 | 9M2008 | 9M2007 |
|---|----------------|----------------|------------------|------------------|
| Net premiums | 756,950 | 833,653 | 2,568,905 | 2,588,653 |
| Commission income | 3,458 | 6,714 | 19,310 | 16,094 |
| Net income on financial instruments at fair value through profit and loss | 77,044 | -7,537 | 47,820 | 7,827 |
| Income from subsidiaries, associates and JV | 127 | 166 | 538 | 976 |
| Income from other financial instruments and investment property | 104,874 | 128,038 | 354,057 | 371,913 |
| - Interest income | 81,894 | 80,890 | 242,039 | 217,103 |
| - Other income | 11,072 | 14,393 | 82,800 | 65,497 |
| - Realised gains | 11,908 | 32,755 | 29,218 | 89,313 |
| - Unrealised gains | - | - | - | - |
| Other revenues | 12,759 | 5,223 | 61,285 | 63,174 |
| Total revenues | 955,212 | 966,257 | 3,051,915 | 3,048,637 |
| Net charges relating to claims | 656,320 | 696,188 | 2,118,219 | 2,104,593 |
| Commission expense | 1,014 | 5,679 | 8,544 | 12,530 |
| Charges from subsidiaries, associates and JV | 36 | 53 | 95 | 119 |
| Charges from other financial instruments and investment property | 64,862 | 26,182 | 105,203 | 54,454 |
| - Interest expense | 3,561 | 4,547 | 12,518 | 12,586 |
| - Other expense | 2,332 | 2,043 | 6,630 | 6,378 |
| - Realised losses | 53,047 | 18,200 | 75,597 | 31,354 |
| - Unrealised losses | 5,922 | 1,392 | 10,458 | 4,136 |
| Management expense | 122,475 | 104,767 | 404,170 | 381,118 |
| - Commissions and other acquisition expense | 100,936 | 96,892 | 334,753 | 327,714 |
| - Investment management expense | 2,045 | 1,464 | 5,717 | 4,690 |
| - Other administrative expense | 19,494 | 6,411 | 63,700 | 48,714 |
| Other costs | 28,692 | 38,112 | 165,340 | 167,961 |
| Total costs and charges | 873,399 | 870,981 | 2,801,571 | 2,720,775 |
| Profit (Loss) for the period before tax | 81,813 | 95,276 | 250,344 | 327,862 |
| Tax | 28,513 | 35,513 | 79,258 | 115,021 |
| Net profit (loss) for the period | 53,300 | 59,763 | 171,086 | 212,841 |
| Profit (Loss) on discontinued operations | - | - | - | -197 |
| Consolidated profit (loss) | 53,300 | 59,763 | 171,086 | 212,644 |
| Attributable to minorities | -1,555 | -331 | -4,901 | -299 |
| Profit (Loss) of the Group | 54,855 | 60,094 | 175,987 | 212,943 |

SEGMENT REPORT

| (€000) | Non-Life | Life | Real Estate | Other Activities | Total |
|---|----------------|---------------|--------------|---------------------|----------------|
| Net premiums | 1,859,824 | 709,081 | - | - | 2,568,905 |
| Net charges relating to claims | -1,355,058 | -763,161 | - | - | -2,118,219 |
| Net commissions | - | 10,766 | - | - | 10,766 |
| Income and charges resulting from financial instruments at fair value through Profit and Loss | 73,932 | -26,112 | - | - | 47,820 |
| Income from shareholdings in subsidiaries, associates and joint ventures | 443 | - | - | - | 443 |
| Income from other financial instruments and investments property | 86,119 | 158,150 | 4,585 | - | 248,854 |
| Operating expenses | -365,861 | -38,292 | -17 | - | -404,170 |
| Other income/costs | -71,925 | -31,246 | -794 | -90 | -104,055 |
| Pre-tax Profit (Loss) for 9M2008 | 227,474 | 19,186 | 3,774 | -90 | 250,344 |
| Pre-tax Profit (Loss) for 9M2007 | 253,875 | 70,670 | 3,587 | -270 | 327,862 |

Group Highlights Investments and Other Activities

| <i>(€ 000)</i> | 30/09/2008 | 30/06/2008 | Change % | 31/12/2007 |
|--|-------------------|-------------------|---------------------|-------------------|
| INVESTMENTS | | | | |
| Investment properties | 440,454 | 388,852 | +13.3 | 388,425 |
| Investments in subsidiaries, associates and joint ventures | 12,104 | 12,029 | +0.6 | 12,787 |
| Loans and receivables | 299,059 | 215,523 | +38.8 | 145,187 |
| Available-for-sale financial assets | 8,941,020 | 8,628,014 | +3.6 | 9,417,289 |
| Assets at fair value through profit and loss | 1,987,933 | 2,713,347 | -26.7 | 2,836,966 |
| TOTAL INVESTMENTS | 11,680,570 | 11,957,765 | -2.3 | 12,800,654 |
| CASH AND CASH EQUIVALENTS | | | | |
| | 177,233 | 165,466 | +7.1 | 164,564 |
| TANGIBLE ASSETS | | | | |
| Buildings | 29,398 | 29,648 | -0.8 | 30,022 |
| Other tangible assets | 126,044 | 157,936 | -20.2 | 153,245 |
| TOTAL TANGIBLE ASSETS | 155,442 | 187,584 | -17.1 | 183,267 |
| TOTAL | 12,013,245 | 12,310,815 | -2.4 | 13,148,485 |

Group Highlights Net Technical Reserves

| (€ 000) | 30/09/2008 | 30/06/2008 | Change % | 31/12/2007 |
|--|------------------|------------------|-------------|------------------|
| NON-LIFE | | | | |
| Provisions for unearned premiums | 795,785 | 900,448 | -11.6 | 908,054 |
| Provisions for outstanding claims | 3,015,461 | 2,994,963 | +0.7 | 3,164,434 |
| Other insurance provisions | 3,798 | 3,867 | -1.8 | 3,700 |
| Total Non-Life | 3,815,044 | 3,899,278 | -2.2 | 4,076,188 |
| LIFE | | | | |
| Mathematical provisions | 4,913,903 | 4,952,610 | -0.8 | 4,946,732 |
| Provisions for outstanding claims | 34,176 | 100,105 | -65.9 | 54,933 |
| Provisions for policies where the investment risk is borne by policyholders and provisions for pension funds | 451,041 | 465,324 | -3.1 | 427,583 |
| Other insurance provisions | -65,064 | -54,813 | +18.7 | -9,677 |
| Total Life | 5,334,056 | 5,463,226 | -2.4 | 5,419,571 |
| TOTAL | 9,149,100 | 9,362,504 | -2.3 | 9,495,759 |

Group Highlights Financial Liabilities –

| (€ 000) | 30/09/2008 | 30/06/2008 | Change % | 31/12/2007 |
|---|------------------|------------------|-------------|------------------|
| Financial liabilities at fair value through profit and loss | 1,484,157 | 1,600,072 | -7.2 | 1,949,416 |
| Other financial liabilities | 302,644 | 309,341 | -2.2 | 316,122 |
| TOTAL | 1,786,801 | 1,909,413 | -6.4 | 2,265,538 |