



PRESS RELEASE

FONDIARIA-SAI 1Q04 RESULTS

**Premiums grow to 2,600 million Euro (+15.1%), +57% in life business;
ordinary result exceeds 214 million Euro**

Milan, 11 May 2004 – The Board of Directors of FONDIARIA-SAI met today under the chairmanship of Jonella Ligresti and approved the First Quarter Consolidated results as at 31 March 2004, which show an ordinary result of more than **214.2 million Euro (87 million Euro for the corresponding 2003 figures)**.

Gross written premiums reached **1,759.1 million Euro in non-life business (+2.1%)**, thus confirming the leadership achieved in the Italian insurance sector, and **840.3 million Euro in life (+57%)**, thanks both to the contribution from the Agency network and to the positive trend in bancassurance business.

With regard to the technical situation, **non-life profits reached 94.8 million Euro (57.5 million Euro in 1Q03)**, while the life result exceeded **28 million Euro (12.9 million Euro in 1Q03)**.

Net technical reserves totalled **24,354 million Euro** and showed an increase of **2.8%** compared to FY2003 figures.

The total amount of the claims paid in the direct business, gross of reinsurance and including life business, was **1,521 million Euro**.

Investments reached **25,867 million Euro (+6.1% with respect to FY2003 figures)**. Net investment income reached **260 million Euro** (172.5 million Euro as at 31 Dec. 2003) and included 100 million Euro of realized gains on non-strategic assets.

As far as the Parent Company is concerned, direct written premiums reached **970 million Euro (+1%) in non-life business** and **284 million Euro in life (+40%)**.

With regard to reported claims, Motor TPL showed a decrease in comparison to the 1Q03 figures (-4.9%).

Operating costs reached approximately **363 million Euro**, and represent **14.7%** of written premiums (15.2% as at 31 Dec. 2003).

The positive trend shown in the results of the Fondiaria-SAI Group companies is in line with both underwriting and profitability targets.

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CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2004

(thousand Euro)

	1Q04	1Q03	% Chg.
INVESTMENTS :			
Land and Buildings	2,412,963	2,385,169	1.17
Group shares and participating interests	516,575	519,392	-0.54
Other Investments	19,727,764	18,709,991	5.44
Deposits with ceding undertakings	59,475	57,645	3.17
Investments for the benefit of Life policyholders who bear the risk thereof	3,150,706	2,708,485	16.33
TOTAL	25,867,483	24,380,682	6.1
Net non-life technical reserves:			
Unearned premiums reserve	2,340,180	2,274,063	2.91
Claims reserve	8,103,228	8,025,934	0.96
Net life technical reserves:			
Technical reserves	10,762,442	10,674,669	0.82
Technical reserves related to risks borne by Policyholders and reserves related to pension funds	3,148,103	2,704,525	16.4
Total technical reserves	24,353,953	23,679,191	2.85

CONSOLIDATED P&L ACCOUNT

	1Q04	1Q03 proforma
(thousand Euro)		
NON LIFE		
Earned premiums	1,625,336	1,565,090
Claims expenses	-1,150,671	-1,166,613
Operating costs and other technical income and expenses	-379,880	-340,973
Non-life technical result	94,785	57,504
LIFE		
Retained premiums	833,632	529,250
Claims expenses and change in technical reserves	-966,273	-603,760
Operating costs and other technical income and expenses	-50,563	-42,867
Share of investment income	118,329	108,865
Income and unrealized gains net of expenses and unrealized losses on investments for the benefit of life policyholders	93,122	23,459
Life technical result	28,247	12,947
Investment income, net of expenses	259,500	172,501
(-) Share of investment income transferred to the technical account	118,329	106,865
Other income, net of expenses (non extraordinary)	-49,994	-48,357
Result from ordinary operations	214,209	87,730

Technical account items are net of reinsurance