



MILANO ASSICURAZIONI S.p.A

PRESS RELEASE

The Board of Directors approves the FY2003 accounts

- Merger with Nuova Maa a success.
- Premiums written reach Euro 2,938 m. +5.8% on the 2002 proforma figures.
- Parent company net profit reaches Euro 157.2 m. (Euro 36.2 m. in 2002).
- Technical trend still at excellent levels.
- Dividend per share quadruples.

Milan, March 26th, 2004 – The Board of Directors of Milano Assicurazioni met today, chaired by Fausto Marchionni and examined and approved the draft FY2003 accounts (the first set after the merger with Nuova Maa Assicurazioni). The 2003 figures show a net profit of Euro 157.2 m. (Euro 36.2 m. in 2002) and include write-downs on listed stocks for Euro 207.1 m., thus confirming the achievement of the growth targets set out in the Group's Industrial Plan.

All figures are shown in comparison with the corresponding 2002 proforma figures.

Direct premiums written totalled Euro 2,938 m. (+5.8%). Premiums in P&C business reached Euro 2,509 m. (+5.9%), of which Euro 1,852 m. in the Motor sector (an increase of 6.8%).

Thanks to the decisive contribution made by the Agency network, the Life sector showed satisfying underwriting results, reaching Euro 429 m. in premiums written (+5%). These figures assume particular significance when it is considered that during the last few years the existing Life portfolio has been steadily depleted due to the progressive run-off of the San Paolo Vita portfolio.

The Non Life technical result (net of reinsurance) was very satisfying, continuing at an excellent level (Euro 192 m.) even compared with the non recurring 2002 figures (Euro 217 m.).

The Life technical result amounted to Euro 330 thousand (Euro 10.1 m. in 2002).

Through the merger with Nuova Maa and the sale of part of the real estate portfolio (down from 10.1% in 2002 to 5.8% in 2003) total investments – class D included - have been rebalanced. Investments in bonds have been increased to 75.3% in 2003 (from 67.4% in 2002)

and those in equity have been reduced to 11.8% in 2003 (from 15.6% in 2002) as a result of the sale of holdings in Swiss Life Rentenanstalt and Credit Suisse.

Consolidated accounts show the Groups' net profit at Euro 249.3 m. against Euro 39.1 m. in 2002.

Gross direct premiums reached Euro 3,012 m. against Euro 2,835 m. in 2002, showing an increase of 6.2%.

The Board decided to propose to the Shareholders' meeting, convened for April 26th 2004, 3 p.m local time, Executive Hotel, Milan (first call), and for April 27th, same time and place (second call), the distribution of a unitary dividend of Euro 0.20 per ordinary share and of Euro 0.22 per savings share, payable from May 6th 2004. In 2002 unitary dividends were Euro 0.05 and 0.07 respectively.

In line with Fondiaria-SAI Group strategic guidelines which specify a policy of marked tariff personalization, and in view of the Industry Ministry's requests on the subject, Milano Assicurazioni S.p.A. has decided, as of May 1st 2004, to reduce Motor TPL tariffs for the more virtuous of its policyholders, including those resident in areas of high claims frequency.

These decisions confirm the Company's attention to customers' requirements and market developments, and its consideration for Government initiatives aimed at reducing the number of claims and rewarding drivers who are prudent and respectful of traffic regulations.

Simplified 2003 Balance sheet

ASSETS

(thousand Euro)

	2003		2002	
Intangible assets				
Deferred acquisition costs	18.275		41.298	
Formation expenses	824		50	
Goodwill	197.314		216.154	
Other pluriennial costs	2.722	219.135	7.752	265.254
Investments				
Land and Buildings	431.807		727.333	
Group shares and participating interests	215.327		137.432	
Debt securities	4.000		0	
Corporate financing	26.520		6	
Shares and participating interests	660.547		991.607	
Units and shares in investment funds	75.953		73.749	
Debt securities	5.578.048		4.872.682	
Loans	65.578		18.795	
Cash at banks	4.127		4.793	
Other investments	48.408		155.192	
Deposits with ceding undertakings	7.553	7.117.868	9.167	6.990.756
Investments for the benefit of Life policyholders who bear the risk thereof				
Relating to unit and index linked benefits	302.377		239.463	
Relating to pension funds	0	302.377	0	239.463
Debtors				
Premiums payable by policyholders	323.169		302.954	
Intermediaries	257.789		251.169	
Arising out of direct insurance	84.825		60.572	
Arising out of reinsurance	129.868		151.902	
Other debtors	301.628	1.097.279	262.425	1.029.022
Other assets				
Tangible assets and stocks	4.779		6.414	
Cash	162.702		118.325	
Other assets	169.361	336.842	212.120	336.859
Accrued incomes and paid expenses		73.263		78.392
Total Assets (a)		9.146.764		8.939.746
Technical Reserves, net of reinsurance				
Reserves for unearned premiums	886.298		827.248	
Reserves for outstanding claims	2.781.684		2.633.602	
Other non life technical reserves	6.899		6.158	
Life technical reserves	3.526.615	7.201.496	3.491.323	6.958.331
Provisions for other risks and charges				
Provisions for retirement indemnity and similar	0		0	
Provisions for taxation	0		2.550	
Other provisions	66.941	66.941	51.246	53.796
Deposits received from reinsurance undertakings		181.938		197.206
Creditors and other liabilities				
Arising out of direct insurance	72.184		53.582	
Arising out of reinsurance	17.167		13.463	
Sundry borrowings and other financial creditors	11.032		231.157	
Provision for staff leaving indemnity	26.955		27.720	
Policyholders' due tax	45.160		42.667	
Sundry taxes	125.928		67.639	
Other creditors	67.364		86.572	
Other liabilities	154.832	520.622	162.969	685.769
Accrued liabilities and payables		570		9.056
Total liabilities (b)		7.971.567		7.904.158
Shareholders' equity (a-b)		1.175.197		1.035.588
Given by:				
Share capital	238.569		196.372	
Reserves	779.432		803.053	
Net profit	157.196		36.163	

Simplified consolidated 2003 Balance sheet

(thousand Euro)

ASSETS	31/12/2003	31/12/2002
Intangible assets	224.891	248.234
Deferred acquisition costs	40.898	41.298
Other pluriennial costs	2.475	4.128
Goodwill	172.013	185.965
Other intangibles	5.712	11.865
Consolidation differences	3.793	4.978
Investments	7.307.179	7.041.011
Land and Buildings	505.659	724.806
Group shares and participating interests	94.462	92.503
Debt securities	4.000	
Corporate financing	26.520	
Shares and participating interests	778.507	996.096
Units and shares in investment funds	77.022	74.815
Debt securities	5.695.299	4.964.790
Loans	65.622	18.850
Cash at banks	4.127	4.793
Other investments	48.408	155.192
Deposits with ceding undertakings	7.553	9.166
Investments for the benefit of Life policyholders who bear the risk thereof	302.378	239.464
Debtors	1.130.806	1.045.097
Arising out of direct insurance	674.888	622.566
Arising out of reinsurance	129.689	153.426
Other debtors	326.229	269.105
Other assets	274.607	292.418
Tangible assets and stocks	7.432	11.944
Cash	174.730	132.629
Company's own shares	1	1
Other assets	92.444	147.844
Accrued incomes and paid expenses	74.714	79.923
Total Assets (a)	9.314.575	8.946.147

Simplified consolidated 2003 Balance sheet

(thousand Euro)

LIABILITIES	31/12/2003	31/12/2002
Technical reserves, net of reinsurance	7.320.518	7.044.584
Reserves for unearned premiums	924.276	846.027
Reserves for outstanding claims	2.859.686	2.697.856
Other Non Life technical reserves	6.908	6.161
Life technical reserves	3.529.648	3.494.540
Provisions for other risks and charges	67.541	54.383
Provisions for taxation		2.550
Other provisions	67.541	51.833
Deposits received from reinsurance undertakings	183.869	199.260
Creditors and other liabilities	499.189	628.212
Arising out of direct insurance	73.689	54.656
Arising out of reinsurance	19.393	14.001
Sundry borrowings and other financial creditors	11.032	232.527
Provision for staff leaving indemnity	28.499	29.154
Other creditors	247.186	203.915
Other liabilities	119.390	93.959
Accrued liabilities and payables	584	9.056
TOTAL LIABILITIES (b)	8.071.701	7.935.495
Shareholders' equity (a-b)	1.242.874	1.010.652
Given by:		
Share capital	238.569	196.372
Reserves	748.003	767.918
Outside shareholders capital	7.035	7.252
Group net profit	249.267	39.110

MILANO ASSICURAZIONI S.p.A.

Simplified Profit and Loss Account

<i>(thousand Euro)</i>	FY2003	FY2002
Life Technical result	330	10.065
Technical results on P&C direct business:		
- Motor TPL	2.207	45.409
- Other than Motor TPL	197.376	172.105
Total P&C direct business	199.583	217.514
Reinsurance and indirect business	-7.761	-586
P&C technical result	191.822	216.928
Changes in equalisation reserves	-755	-251
Share of investment income assigned to P&C technical account	-	39.102
P&C technical result	191.067	255.779
Total technical result	191.397	265.844
Investments income	233.425	274.888
Net Investments' write-downs	-203.647	-111.650
Net profit on the of investments	28.275	2.827
Realized gains on investments for the benefit of life policyholders	9.798	2.520
Minus: Investment income transferred to the technical accounts	-106.749	-159.929
Amortized goodwill	-23.992	-23.477
Net Other income	-45.992	-17.078
Profit on the sale of strategic investments	205.639	-164.988
Extraordinary income and expenses	-11.581	3.929
Pre-tax profit	276.573	72.886
Tax	-119.377	-36.723
Net profit	157.196	36.163

MILANO ASSICURAZIONI S.p.A.

Simplified Consolidated Profit and Loss Account

<i>(thousand Euro)</i>	FY2003	FY2002
Life Technical Result	34.763	10.054
P&C technical result	191.560	213.251
Total technical result	226.323	223.305
Net Investment incomes	234.770	268.319
Investments' write-downs, net of write-ups	-70.198	-111.770
Net profits on sale of strategic investments	28.723	2.934
Realized gains on investments for the benefit of life policyholders	9.798	2.520
Minus: Investment income transferred to the Life technical account	-141.283	-120.954
Goodwill allowance and amortized consolidation differences	-20.809	-20.243
Net Other income	-45.740	-16.948
Ordinary result	221.584	227.163
Net profits on strategic investments	205.552	-156.514
Extraordinary income and expenses	-16.438	4.620
Pre-tax result	410.698	75.269
Tax	-161.561	-36.432
Consolidated result	249.137	38.837
Profit (loss) minorities	-130	-273
Group profit (loss)	249.267	39.110