

PRESS RELEASE

**MILANO ASSICURAZIONI:
1Q04 ordinary result positive by over 110 million Euro**

Milan, 10 May 2004 – The Board of Directors of Milano Assicurazioni met today under the chairmanship of Fausto Marchionni and approved the First Quarter Consolidated results as at 31 March 2004 which showed an ordinary result of **more than 110 million Euro** (37.4 million Euro for the corresponding 2003 pro forma figures).

The non-life technical account reached a profit of **42 million Euro**, well above the corresponding figure for 2003 (10.1 million Euro); the technical account for life business showed a profit of **9.8 million Euro** (4 million Euro in 1Q03), thanks both to the increased premiums collected and to the higher profitability of the new policies sold during the quarter.

Non-life premiums written as at 31 March 2004 totalled **662.4 million Euro** (+3.2%, 641.8 million Euro in 1Q03), thus confirming the Company's commitment to combine growth with profitability through underwriting strategies aimed at maintaining a high portfolio quality.

Premiums written in life were very satisfying and reached **113.7 million Euro** (+29.9%, 87.5 million Euro in 1Q03), thanks to the contribution of the Agency network which reacted promptly to the Company's directives.

These results confirm the positive trend shown during 2003.

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CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2004

(thousand Euro)

	1Q04	1Q03	% Chg.
INVESTMENTS :			
Land and Buildings	504,649	505,659	-0,2
Group shares and participating interests	99,502	124,982	-20,4
Other Investments	7,095,416	6,668,985	6,4
Deposits with ceding undertakings	7,592	7,553	0,5
Investments for the benefit of Life policyholders who bear the risk thereof	319,434	302,378	5,6
TOTAL	8,026,593	7,609,557	5,5
Net non-life technical reserves:	3,854,512	3,790,870	1,7
Net life technical reserves:	3,515,520	3,529,648	-0,4
Of which Technical reserves related to risks borne by policyholders and reserves related to pension funds	319,360	302,344	5,6
Total technical reserves	7,370,032	7,320,518	0,7

CONSOLIDATED P&L ACCOUNT

	1Q04	1Q03 proforma
(thousand Euro)		
NON LIFE		
Earned premiums	636,653	595,770
Claims expenses	-446,255	-449,836
Operating costs	-148,440	-135,829
Non-life technical result	41,958	10,105
LIFE		
Retained premiums	110,205	84,158
Claims expenses and change in technical reserves	-132,189	-106,242
Operating costs and other technical income and expenses	-9,087	-9,690
Share of investment income	31,584	33,089
Income and unrealized gains net of expenses and unrealized losses on investments for the benefit of life policyholders	9,270	2,702
Life technical result	9,783	4,017
Investment income, net of expenses	107,102	62,057
(-) Share of investment income transferred to the technical account	-31,584	-33,089
Other income, net of expenses (non extraordinary)	-16,447	-5,698
Result from ordinary operations	110,812	37,392

Technical account items are net of reinsurance