



## JOINT PRESS RELEASE

Pursuant to article 114, paragraph 5 of Legislative Decree No. 58/98

Milan, January 5, 2009

In compliance with the requests from CONSOB to Fondiaria-SAI S.p.A. ("**FONSAI**") and Milano Assicurazioni S.p.A. ("**MILANO**") pursuant to article 114, paragraph 5, of Legislative Decree 58/1998, in relation to the press releases published on December 30, 2008 concerning the signing of a preliminary contract for the acquisition of 100% of the share capital of Atahotels S.p.A. ("**ATAHOTELS**") and a sales/purchase contract for the acquisition of 100% of the share capital of Società Agricola Tenuta Cesarina S.r.l. ("**CESARINA**"), the following matters are disclosed.

### **ATAHOTELS**

▪ **RISKS RELATED TO POTENTIAL CONFLICTS OF INTEREST OF THE RELATED PARTIES INVOLVED IN THE SALES/PURCHASE AND COMPLIANCE WITH CRITERIA FOR SUBSTANTIAL AND PROCEDURAL CORRECTNESS**

With reference to the risks related to the potential conflicts of interest of the related parties in the sales/purchase of 100% of the share capital of ATAHOTELS, it is reported, as already announced in the press release published pursuant to article 114 of Legislative Decree 58/98 by Fondiaria-SAI and MILANO on December 30, 2008, that Sinergia Holding di Partecipazioni S.p.A ("**SINERGIA**") and its subsidiary Raggruppamento Finanziario S.p.A. ("**RF**") have an interest in the operation in that SINERGIA is party to a shareholders' agreement concerning shares of Premafin Finanziaria Holding di Partecipazioni S.p.A., ("**PREMAFIN**"), ultimate parent company of FONSAI as per article 93 of Legislative Decree 58/98.

It is also reported that, in line with applicable regulations and that contained in the "Principles of Conduct for significant operations and with related parties" approved by the Boards of Directors of both companies, in order to ensure compliance with the criteria for substantial and procedural correctness with regard to the decisions undertaken, the Directors with interests pursuant to article 2391 of the civil code, in the meetings of the Board of Directors of FONSAI and MILANO (which approved the operation), provided the declarations required. It should also be noted that the operation is subject, among other matters, to prior authorisation by the relevant supervision authorities (ISVAP).

- **INVESTMENT AND ECONOMIC RATIONALE OF THE PURCHASE OPERATION IN CONSIDERATION OF ECONOMIC AND FINANCIAL ESTIMATES**

As reported in the press release of December 30, 2008, the investment rationale principally resides in the direct management of the significant tourist/hotel real estate portfolio owned by the two companies.

In relation to the economic rationale of the operation, although in consideration of expected synergies from the implementation of a single hotel management structure and, in the future, on properties currently rented to third parties, the economic and financial effects of the acquisition for the FONSAI group are considered marginal, given the degree of activities carried out by ATAHOTELS compared to the group, while the strategic importance of a large, direct and prestigious real estate portfolio for the group in the hotel sector is considered significant.

- **DISCLOSURES ON REMUNERATION ADJUSTMENTS**

The amount of the remuneration paid to the members of the board of directors of FONSAI and MILANO will not change as a result of the operation.

- **METHOD TO ENSURE THE INVOLVEMENT OF THE INDEPENDENT DIRECTORS**

The resolutions relating to the purchase of 100% of ATAHOTELS were made by the Boards of Directors of FonSAI and Milano unanimously, with only the Directors with interests pursuant to article 2391 of the civil code abstaining and, therefore, with the favourable vote of all the independent Directors of the two companies who made evaluations based on their expertise and in consideration of all the documentation made available and in particular the fairness opinion issued by KPMG ADVISORY S.P.A.

The operation was also reviewed by the Internal Control Committee of the two companies as it related to a significant operation with related parties. The Committees, composed entirely of independent directors – in the presence of the respective Boards of Statutory Auditors – reviewed and examined, during a number of meetings, with the assistance of external consultants and the support of the relevant offices of the companies the documentation prepared (due diligence report, fairness opinion relating to the value range, legal opinion, draft contract), considering these sufficient to permit the respective Boards of Directors to make the appropriate resolutions.

- **VALUATION ON THE CORRECTNESS OF THE PURCHASE PRICE AND INDEPENDENT EXPERT'S OPINION ON THIS VALUATION**

As already reported in the press release published on December 30, 2008, the Boards of Directors of FONSAI and MILANO, in consideration of the type of investment and the nature of operations with related parties, for the determination of the purchase price of ATAHOTELS appointed the independent expert KPMG ADVISORY S.P.A. who issued a fairness opinion relating to the value range of ATAHOTELS.

KPMG ADVISORY S.P.A. was conferred the mandate by the Chief Executive Officer of FONSAI - and also Chairman and Chief Executive Officer of MILANO - Mr. Fausto Marchionni, on the basis of the highly-regarded professional attributes and independence of the expert – as demonstrated through previous assignments and experience gained in the sector. KPMG ADVISORY S.P.A. is a prestigious international consultancy company which does not hold any investments in the two companies,

subsidiary companies or holding companies, nor specific relations with Directors of these companies.

The mandate, in accordance with best market practice for similar operations, requires the determination of a range of values for the shares of ATAHOTELS (in accordance with the notion of fair value) with which the same could be exchanged in an arms length transaction between independent counterparties and the consequent issue of the relative fairness opinion.

## **CESARINA**

- **RISKS RELATED TO POTENTIAL CONFLICTS OF INTEREST OF THE RELATED PARTIES INVOLVED IN THE SALES/PURCHASE AND COMPLIANCE WITH CRITERIA FOR SUBSTANTIAL AND PROCEDURAL CORRECTNESS**

With reference to the risks related to the potential conflicts of interest of the related parties in the sales/purchase of 100% of the share capital of CESARINA, it is reported, as already announced in the press release published pursuant to article 114 of Legislative Decree 58/98 by MILANO on December 30, 2008, that Sinergia has an interest in the operation in that SINERGIA is party to a shareholders' agreement concerning shares of Premafin, ultimate parent company of FONSAI as per article 93 of Legislative Decree 58/98.

It is also reported that, in line with applicable regulations and that contained in the "Principles of Conduct for significant operations and with related parties" approved by the Boards of Directors of MILANO and FONSAI, in order to ensure compliance with the criteria for substantial and procedural correctness with regard to the decisions undertaken, the Directors with interests pursuant to article 2391 of the civil code, in the meetings of the Board of Directors of the two companies (which approved the operation), provided the declarations required. It should also be noted that the operation is subject, among other matters, to prior authorisation by the relevant supervision authorities (ISVAP).

- **INVESTMENT AND ECONOMIC RATIONALE OF THE PURCHASE OPERATION IN CONSIDERATION OF ECONOMIC AND FINANCIAL ESTIMATES**

As reported in the press release of December 30, 2008, the investment rationale is based on an attractive opportunity to expand the excellent product range currently marketed by the group through the successive integration with SAIAGRICOLA S.P.A. – a well established agricultural subsidiary of FONSAI - owner of over 5,000 hectares of land and producer of quality wine, rice and olive oil – to be undertaken through the merger of the two companies.

In relation to the economic rationale of the operation, although in consideration of the expected synergies from the integration with SAIAGRICOLA S.P.A., which will permit, in the future, the achievement of appropriate critical mass to efficiently promote the group's products, the economic and financial effects of the acquisition for the FONSAI group are considered marginal, given the degree of the activities carried out by CESARINA compared to the group and the prevalent real estate component of the value of the asset which, within a market characterised by high volatility in security prices,

represents for its characteristics (location, size etc.) and the price paid an interesting and solid long-term investment opportunity which can be utilised in the future to cover the technical reserves.

▪ **DISCLOSURES ON REMUNERATION ADJUSTMENTS**

The amount of the remuneration paid to the members of the board of directors of MILANO will not change as a result of the operation.

▪ **METHOD TO ENSURE THE INVOLVEMENT OF THE INDEPENDENT DIRECTORS**

The resolutions relating to the purchase of 100% of CESARINA were respectively made by the Boards of Directors of MILANO and FONSAI unanimously, with only the Directors with interests pursuant to article 2391 of the civil code abstaining and, therefore, with the favourable vote of all the independent Directors of the two companies who made evaluations based on their expertise and in consideration of all the documentation made available and in particular on valuations on the market value of the real estate complexes owned by CESARINA prepared by SCENARI IMMOBILIARI S.R.L. and CSGI S.R.L., as well as the fairness opinion on the purchase price of the company's share issued by KPMG ADVISORY S.P.A.

The operation was also reviewed by the Internal Control Committee of the two companies as it related to a significant operation with a related party. The Committees, composed entirely of independent directors – in the presence of the respective Boards of Statutory Auditors – reviewed and examined, during a number of meetings, with the assistance of external consultants and the support of the relevant offices of the companies the documentation prepared (due diligence report, real estate evaluations, fairness opinion, legal opinion, draft contract), considering these sufficient to permit the respective Boards of Directors to make the appropriate resolutions.

▪ **VALUATION ON THE CORRECTNESS OF THE PURCHASE PRICE AND INDEPENDENT EXPERT'S OPINION ON THIS VALUATION**

As already reported in the press release published on December 30, 2008, the Boards of Directors of MILANO and its parent company FONSAI, in consideration of the type of investment and the nature of operations with related parties, appointed the following independent experts for the determination of the purchase price of CESARINA:

- SCENARI IMMOBILIARI S.R.L. and CSGI S.R.L. for the land and building valuations of CESARINA. These independent experts were appointed to prepare an expert's opinion on the market value of the real estate complex owned by CESARINA, in accordance with article 2 of ISVAP Measure No. 1915-G of July 20, 2001, based on the mandate conferred by the Chairman and Chief Executive Officer of MILANO, who is also the Chief Executive Officer of FONSAI, Mr. Fausto Marchionni and by the Vice Chairman of FONSAI, Mr. Antonio Talarico;
- KPMG ADVISORY S.P.A. for the valuation of the company CESARINA S.r.l. This expert was appointed to attain a fairness opinion on the purchase price of the company (based on the fair value notion) with which the same could be exchanged in an arms length transaction between independent counterparties, based on the mandate conferred by the Chairman and Chief Executive Officer of Milano, who is also the Chief Executive Officer of Fonsai, Mr. Fausto Marchionni.

The independent expert mandates above were conferred based on their highly-regarded professional attributes and independence, demonstrated through previous assignments and experience gained in the respective sectors. These advisors do not hold investments in the two companies, subsidiaries or holding companies or have specific relations with directors of the same.

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