

PRESS RELEASE

MILANO ASSICURAZIONI S.p.A.: Q1 2009 CONSOLIDATED RESULTS APPROVED.

- **GROUP PROFIT OF EURO 31.5 MILLION;**
- **SHAREHOLDERS' EQUITY OF EURO 1,881.2 MILLION;**
- **COMBINED RATIO (96.3%).**

Milano Assicurazioni Group	Q1 2009	Q1 2008*	Cge %
Amounts in Euro Millions			
Total Premiums Written	1,064.6	906.4	(+17.4)
Pre-Tax Profit	60.9	86.8	(- 29.9)
Group profit	31.5	58.2	(- 45.9)
* 2008 data without Pro-forma results			
CoR	96.3%	92.5%	
Operating CoR	87.9%	84.2%	

Milan, May 13, 2009 - In a meeting chaired by Fausto Marchionni, the Milano Assicurazioni S.p.A. Board of Directors approved the consolidated results for the first quarter of 2009.

We recall that during 2008 a significant industrial and corporate restructuring of the Fondiaria-SAI Group was completed which resulted in:

- the merger by incorporation into Milano Assicurazioni of Sasa Assicurazioni e Riassicurazioni and Sasa Vita, with legal effect from December 31, 2008 and accounting and tax effects from January 1, 2008;
- the conferment to Milano Assicurazioni, by Fondiaria-Sai, of the entire shareholding in Liguria Assicurazioni held by Fondiaria-Sai, amounting to 99.97% of the share capital, and a holding in Immobiliare Lombarda S.p.A. amounting to 27.88% of the share capital. In accordance with International Accounting Standards IAS/IFRS, Liguria Assicurazioni and Liguria Vita were consolidated from 2009. Immobiliare Lombarda continues to be consolidated under the equity method.

Taking into account the operations outlined above, the comparative data with Q1 2008 are reported below on a uniform basis, aggregating the values of Milano Assicurazioni, Sasa Assicurazioni, Sasa Vita, Liguria Assicurazioni and Liguria Vita since 2008.

Total **net premiums written** amounted to Euro 1,064.6 million (-4.1%).

In the **Non-Life** Division, direct **premiums written** totalled Euro 816.2 million (-3.0%). In the **Motor** classes, premiums written decreased by 4.1%, amounting to Euro 561.8 million, impacted by the continual drop in new vehicle registrations and increased competition with greater tariff personalisation and the application of discounts.

Premiums written in the **Other Non-Life** Classes amounted to Euro 254.4 million, substantially in line with the same period of 2008.

Overall, the technical performance of the Non-Life sector was satisfactory, with a **Combined Ratio** of 96.3%, compared to 92.5% in the first quarter of 2008 and 99.2% for the full year 2008.

The **Operating Combined Ratio**, which excludes the other technical charges, was 87.9% (84.2% in the first quarter of 2008, 96.2% for the full year 2008), of which a Loss Ratio of 68.8% (65.7% in the first quarter of 2008, 75.8% for the full year 2008).

In the **Motor TPL** class, claims decreased by 3.5%, while in the **Other Motor Classes** and in the **General Classes** the claims increased, respectively by 16.9% and 5.7%, due to adverse climate conditions in the first months of the year.

The **pre-tax profit in the Non-Life Division** amounted to Euro 54.6 million (Euro 89 million in the first quarter of 2008), particularly impacted by the lower contribution from the Other Motor Classes.

In the **Life** sector **premiums** written amounted to Euro 246.1 million, a drop of 7.7% on an annual basis principally due to the lower contribution of the financial products. The decrease in new business in terms of Annual Premium Equivalent (**APE**) was more contained, amounting to Euro 22.9 million from Euro 24.5 million (-6.3%) following the introduction of an underwriting policy favouring traditional products with higher margins. In this context, we report that the premiums written in Class I of the agency and broker channel grew by 9.4% from Euro 87.2 million in the first quarter of 2008 to Euro 95.4 million in the first quarter of 2009.

Profitability in the Life segment was largely stable, although still not within a normalised financial environment, with a **pre-tax profit** of Euro 2.4 million (Euro 3.2 million in the first quarter of 2008).

The **asset and financial management** recorded net income of Euro 97 million (Euro 76.9 million in the first quarter of 2008). **Net income from financial instruments recorded through profit and loss** contributed Euro 20.6 million compared to a loss of Euro 22.5 million in the first quarter of 2008. This income includes Euro 23.5 million from the closure of the residual hedging options on equity securities held in portfolio. However, on the related sale of the shares subject to these hedging operations, losses were recorded of Euro 20.6 million in the account Losses Realised on other financial instruments.

We report that, in line with the fair value policy applied in the preparation of the 2008 Annual Accounts, **impairments** were recorded in the period on securities belonging to the Available-for-Sale category for Euro 19.1 million (of which Euro 16.5 million on equity securities and Euro 1 million on debt securities).

The **total management expenses** amounted to Euro 167.7 million. Of these, Euro 152.5 million relate to the Non-Life sector with a percentage on net premiums of 19.8%, an increase on the same period of the previous year (19%), due to higher amortisation of the commissions on the long-term contracts.

The **Group net profit** amounted to Euro 31.5 million (-52% on an annual basis).

The **group net equity** decreased from Euro 1,982.5 million at December 31, 2008 to Euro 1,881.2 million (- Euro 101.3 million), principally due to the increase in the gains/losses on available-for-sale financial assets (Euro -413.7 million).

We continue to assume a prudent outlook for the current year in light of the continued global economic crisis.

The financial markets are currently showing signs of recovery, while the financial authorities and the major economic institutes forecast a steep contraction in Gross Domestic Product for the current year.

In this context, the insurance management of the non-life classes will lean even further toward the safeguarding of the profitability of the portfolio acquired through the application of correct technical parameters and a careful risk selection with the objective to re-establish the best levels of Combined Ratio achieved in the recent past.

In the life sector the objective is to create value over the long-term period, based on underwriting policies which favour products centred on the insurance risk, providing better returns and more appropriate to the needs of the clientele in this period of great economic uncertainty.

The continued strong turbulence on the financial markets, although showing some signs of improvement, does not permit at the current moment a forecast on the contribution to the result from the asset and financial management. In any event, the solidity of the company, the quality of investments undertaken and the prudent management policy allows the company to look to the future with confidence and to create the foundation to avail of development opportunities and growth upon the easing of the crisis.

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

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.

Press Office

Federica Dal Conte
Tel. +39 0266704324
Mob. +39 335 7591911

Ad Hoc Communication Advisor

Sara Balzarotti
Mob. + 39 335 1415584
Pietro Cavalletti
Mob. + 39 335 1415577

Investor Relations

Luca Guasco,
Giancarlo Lana
Floriana Amari
tel. +39-011-66.57.642
tel. +39-02-64.02.25.74
investorrelations@fondiaria-sai.it

Profit & Loss – 31st March 2009

(€ 000)	31/03/2009	31/03/2008 <i>Pro-forma</i>	Change %	31/03/2008
Net premiums	1.007.993	1.074.141	-6,2	901.590
Commission income	7.618	7.747	-1,7	7.747
Net income on financial instruments at fair value through profit and loss	20.647	-22.454	+192,0	-17.851
Income from subsidiaries, associates and JV	100	100	-	100
Income from other financial instruments and investment property	141.271	131.529	+7,4	121.947
- Interest income	84.777	89.882	-5,7	81.131
- Other income	21.666	22.251	-2,6	22.177
- Realised gains	34.828	19.396	+79,6	18.639
- Unrealised gains	-	-	-	-
Other revenues	15.247	39.623	-61,5	34.794
Total revenues	1.192.876	1.230.686	-3,1	1.048.327
Net charges relating to claims	792.639	805.171	-1,6	694.228
Commission expense	9.063	3.813	+137,7	3.813
Charges from subsidiaries, associates and JV	2.515	-	n.s.	-
Charges from other financial instruments and investment property	62.490	32.298	+93,5	31.584
- Interest expense	4.917	4.732	+3,9	4.258
- Other expense	15.773	7.638	+106,5	7.549
- Realised losses	19.779	17.593	+12,4	17.547
- Unrealised losses	22.021	2.335	+843,1	2.230
Management expense	167.684	168.070	-0,2	135.406
- Commissions and other acquisition	138.180	138.939	-0,5	113.397
- Investment management expense	2.592	2.114	+22,6	1.736
- Other administrative expense	26.912	27.017	-0,4	20.273
Other costs	97.601	125.121	-22,0	96.489
Total costs and charges	1.131.992	1.134.473	-0,2	961.520
Profit (Loss) for the period before	60.884	96.213	-36,7	86.807
Tax	27.931	32.291	-13,5	30.238
Net profit (loss) for the period	32.953	63.922	-48,4	56.569
Profit (Loss) on discontinued operations	-	-	-	-
Consolidated profit (loss)	32.953	63.922	-48,4	56.569
Attributable to minorities	1.488	-1.590	+193,6	-1.591
Profit (Loss) of the Group	31.465	65.512	-52,0	58.160

Profit and Loss Account by Business Segment – 31st March 2009

(€ 000)	Non-Life	Life	Real Estate	Other	Total
Net premiums	769.316	238.677	-	-	1.007.993
Commission income	-	7.618	-	-	7.618
Net income on financial instruments at fair value through profit and loss	17.600	3.047	-	-	20.647
Income from subsidiaries, associates	100	-	-	-	100
Income from other financial instruments and investment property	54.889	80.824	5.558	-	141.271
- Interest income	29.059	55.687	31	-	84.777
- Other income	7.821	8.318	5.527	-	21.666
- Realised gains	18.009	16.819	-	-	34.828
- Unrealised gains	-	-	-	-	-
Other revenues	12.918	1.623	33	673	15.247
Total revenues	854.823	331.789	5.591	673	1.192.876
Net charges relating to claims	529.509	263.130	-	-	792.639
Commission expense	-	9.063	-	-	9.063
Charges from subsidiaries, associates	2.515	-	-	-	-
Charges from other financial instruments and investment property	31.646	29.573	1.271	-	62.490
- Interest expense	2.446	2.471	-	-	4.917
- Other expense	2.151	13.200	422	-	15.773
- Realised losses	18.993	786	-	-	19.779
- Unrealised losses	8.056	13.116	849	-	22.021
Management expense	152.502	15.178	4	-	167.684
- Commissions and other acquisition	128.722	9.458	-	-	138.180
- Investment management expense	1.058	1.534	-	-	2.592
- Other administrative expense	22.722	4.186	4	-	26.912
Other costs	84.039	12.479	213	870	97.601
Total costs and charges	800.211	329.423	1.488	870	1.131.992
Profit (Loss) for the period before tax	54.612	2.366	4.103	-197	60.884
Pro-forma 31.03.2008 Profit (Loss) before tax	88.979	3.237	4.242	-245	96.213

Highlights Investments and Other Activities – 31st March 2009

(€ 000)

31/03/2009 31/12/2008 Change % 31/03/2008

Investment properties	622.976	561.055	+11,0	387.356
Investments in subsidiaries, associates and joint ventures	279.333	282.457	-1,1	12.888
Loans and receivables	201.303	174.946	+15,1	-
Held to maturity assets	586.968	273.159	+114,9	295.534
Available-for-sale financial assets	8.907.192	9.240.074	-3,6	9.188.264
Assets at fair value through profit and loss	1.954.926	2.031.139	-3,8	2.755.696
TOTAL INVESTMENTS I	12.552.698	12.562.830	-0,1	12.639.738
CASH AND CASH EQUIVALENTS	235.790	220.824	+6,8	163.205
Buildings	38.998	43.323	-10,0	29.740
Other tangible assets	140.217	132.262	+6,0	153.870
TOTAL TANGIBLE ASSETS	179.215	175.585	+2,1	183.610
TOTAL	12.967.703	12.959.239	+0,1	12.986.553

Highlights Net Technical Reserves – 31st March 2009

(€ 000)

31/03/2009 31/12/2008 Change % 31/03/2008

NON-LIFE				
Provisions for unearned premiums	1.135.240	1.115.494	+1,8	883.792
Provisions for outstanding claims	3.416.177	3.486.272	-2,0	3.085.069
Other insurance provisions	3.757	4.523	-16,9	3.890
Total Non-Life	4.555.174	4.606.289	-1,1	3.972.751
LIFE				
Mathematical provisions	5.236.446	5.151.194	+1,7	5.003.490
Provisions for outstanding claims	33.073	55.466	-40,4	41.198
Provisions for policies where the investment risk is borne by policyholders and provisions for pension funds	529.608	540.187	-2,0	415.252
Other insurance provisions	-53.022	-61.099	+13,2	-11.801
Total Life	5.746.105	5.685.748	+1,1	5.448.139
TOTAL	10.301.279	10.292.037	+0,1	9.420.890

Highlights Financial Liabilities – 31st March 2009

(€ 000)

31/03/2009 31/12/2008 Change % 31/03/2008

Financial liabilities at fair value through profit and loss	1.356.200	1.415.231	-4,2	1.786.110
Other financial liabilities	368.754	377.171	-2,2	314.099
TOTAL	1.724.954	1.792.402	-3,8	2.100.209