

PRESS RELEASE

MILANO ASSICURAZIONI S.p.A.:
CONSOLIDATED HALF-YEAR REPORT AT JUNE 30, 2010 APPROVED
TOTAL DIRECT PREMIUMS WRITTEN OF EURO 1,868.6 MILLION
(EURO 1,856.4 MILLION IN H1 2009, +0.7%*)

Direct premiums written*

- Non-Life division: Euro 1,601.9 million (-1.6%)
- Life division: Euro 266.7 million (+16.5%)

Technical performance*

- Combined Operating Ratio of 100.2% from 106.1% in FY 2009 (95% in H1 2009); Combined Ratio (inclusive of technical charges) of 105.4% from 108.9% in FY 2009 (100.2% in H1 2009)

Operating costs*

- Management expenses of Euro 338.8 million - 18.9% of net premiums

Net result*

- Consolidated group loss of Euro 195.3 million (profit of Euro 50.7 million in H1 2009)

Balance Sheet Solidity*

- Shareholders' Equity Euro 1,627.5 million (Euro 1,987.9 million at 31/12/2009)

*IFRS 5 data

Milan, August 5, 2010 - In a meeting chaired by Fausto Marchionni, the Milano Assicurazioni S.p.A. Board of Directors approved the consolidated results for the first half of 2010.

As already announced to the market, on June 17, 2010 Milano Assicurazioni S.p.A. and Banco Popolare di Milano S.c.r.l., under agreements signed in December 2009 in relation to the mutual winding-up of the partnership in the bancassurance sector and having received the necessary legal authorisations, concluded the transfer to Banco Popolare di Milano of the 51% holding in Bipiemme Vita S.p.A. held by Milano Assicurazioni.

Through this operation Bipiemme Vita therefore exits the Milano Assicurazioni Group consolidation scope and in accordance with IFRS 5 is considered a discontinued operation. Consequently, the income statement data of this company for the first half of 2009 is reclassified and recorded in the account *Profit/Losses of discontinued operations*. The other income statement accounts are therefore prepared at like-for-like consolidation scope with the first half of 2010, thus enabling comparison.

Total direct premiums written amounted to Euro 1,868.6 million, growth of 0.7% on the same period of the previous year.

In the Non-Life Division, direct premiums written totalled Euro 1,601.9 million (-1.6%).

Premiums in the Motor classes totalled Euro 1,116.3 million (-2.4%) following the actions undertaken to recover profitability in a sector with an established technical deterioration and particularly due to the cancelation of multi-claim contracts and an underwriting policy, which through the new tariff launched at the end of 2009 ensures the application of correct technical parameters, limiting the use of discounts.

The level of premiums was also affected by a still hostile economic environment and in particular the lack of new vehicle registrations, due in part to the discontinuation of government incentives (in June 2010 a decrease of 19% on June 2009).

The effects of the recently introduced regulations to the sector continued to be felt, with the attribution of the bonus-malus class at family level and also the application of malus only in the case of principal responsibility.

In the other Non-Life Classes, premiums amounted to Euro 485.6 million, an increase of 0.4%. Premium stability has been established through an underwriting policy which prioritises portfolio profitability, the application of correct technical parameters and the focusing of commercial initiatives particularly toward the retail sector which generally produces better technical margins.

The number of Motor TPL claims reported decreased by 2.6%. Overall the number of claims reported decreased by 0.9%. The turnaround in the Land Vehicle class (-0.5%) confirms the effectiveness of the restructuring activities undertaken.

As a result of that highlighted, the Combined Operating Ratio (Loss+Expense Ratio) amounts to 100.2% (106.1% in FY 2009), with a Loss Ratio of 79.8% (85.2% in FY 2009) and an Expense Ratio of 20.4% (20.9% in FY 2009), while the combined ratio including technical charges amounted to 105.3% (108.9% in FY 2009). The data - although remaining negative - improved significantly on the 2009 figures.

The Non-Life sector reported a loss of Euro 226 million compared to a profit of Euro 49.9 million in the first half of 2009. The result was strongly affected by the adjustment of financial instrument values, with a negative impact of Euro 155.3 million.

In the Life division, premiums totalled Euro 266.7 million, growth of 16.5%, thanks to the refocusing of the portfolio towards class I contracts (+11.2%). The Class V growth (+55.7%) was due to renewed interest by institutional investors in these products, which provide adequate profit levels for the Company.

The division recorded a pre-tax profit of Euro 29.8 million, an improvement on Euro 26 million in H1 2009 despite an impairment on financial instruments of Euro 12.3 million, gross of the share of policyholders.

The Real Estate sector recorded a pre-tax loss of Euro 6.3 million.

The financial and asset management sector recorded impairments on instruments classified in the available-for-sale (AFS) category for a total amount of Euro 167.6 million (Euro 30.6 million in H1 2009). The continued negative financial markets has resulted for some securities in portfolio recording a listed value lower than the book value for a continuous period of at least 2 years. In line with the impairment policy declared in the 2009 financial statements, the book value of these securities was therefore aligned with the stock market values at June 30, a policy which is considered particularly punitive and often does not reflect the fundamental values of the entities concerned. The impairments carried out concern in particular the investments held by Milano Assicurazioni in the parent company Fondiaria-SAI which, considering the stock market value at June 30 of Euro 7.73, had a negative impact on the income statement of Euro 152 million.

In relation to the other types of financial income, interest income totals Euro 106.7 million, a decrease on Euro 133.6 million in the first half of 2009, due to the difficult economic environment and particularly the continuation of the expansive monetary policy by the relevant authorities with the maintenance of low base interest rates in order to foster a recovery, which remains tentative.

However, prudent trading activity which seeks to maximise the extreme volatility in the markets again experienced in the first half of 2010 - within an overall economic environment characterised by uncertainty and concerns over the sustainability of the government deficits within various European states - has enabled net gains of Euro 35.8 million, an increase on the first half of 2009.

Management expenses, amounting to Euro 338.8 million, were 18.9% of net premiums.

The Group net result was a loss of Euro 195.3 million (profit of Euro 50.7 million in H1 2009).

The consolidated net equity, including the result for the period and minority interest share, decreased from Euro 1,987.9 million at 31/12/2009 to Euro 1,627.5 million at 30/06/2010. The Solvency Margin reduced on 31/12/2009 due to high levels of financial market volatility. The latest data available, calculated at the end of July, remains above 200% following a re-absorption of the negative component of Euro 70 million recorded to the net equity reserve for AFS financial instruments.

Within an overall economic and financial scenario which continues to be volatile, the first positive signals in relation to the technical part have emerged, confirming the effectiveness of the actions undertaken to recover profitability.

The real competition will be played out within "costs/services", as it is necessary to safeguard the equilibrium of industrial operations, generating where possible, economies of scale and important economic benefits within the operations.

The entire Group is focussed on the achievement of the Plan objectives.

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.

Further details on the Group's financial results will be provided to the financial community by the CEO Mr. Fausto Marchionni today at the time of 1:15 PM, through a conference call and webcasting. Further information is available on the Internet site of the company.

The presentation will also be available on the Internet site of the company at the beginning of the conference call.

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.

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MILANO ASSICURAZIONI S.p.A.

CONSOLIDATED BALANCE SHEET AS AT 06/30/2010

Thousands of Euro

BALANCE SHEET - ASSETS

		06/30/2010	12/31/2009
1	INTANGIBLE ASSETS	270.386	270.401
1.1	Goodwill	244.131	244.131
1.2	Other intangible assets	26.255	26.270
2	PROPERTY, PLANT AND EQUIPMENT	64.637	64.369
2.1	Buildings	58.733	58.650
2.2	Other property, plant and equipment	5.904	5.719
3	REINSURERS' SHARE OF TECHNICAL RESERVES	476.342	479.323
4	INVESTMENTS	9.371.238	9.443.895
4.1	Investment property	1.062.070	1.078.543
4.2	Investments in subsidiaries, associates, joint ventures	214.707	189.331
4.3	Investments held to maturity	118.219	114.924
4.4	Loans and receivables	460.342	510.588
4.5	Available-for-sale financial assets	7.180.234	7.206.593
4.6	Assets at fair value through profit and loss	335.666	343.916
5	RECEIVABLES	898.593	1.174.486
5.1	Receivables relating to direct insurance business	572.377	727.018
5.2	Receivables relating to direct reinsurance business	83.230	100.665
5.3	Other receivables	242.986	346.803
6	OTHER ASSETS	294.397	4.333.867
6.1	Non-current assets held for sale or discontinued operations	5.116	4.102.633
6.2	Deferred acquisition costs	18.748	27.861
6.3	Deferred tax assets	114.706	105.200
6.4	Current tax assets	43.747	41.422
6.5	Other assets	112.080	56.751
7	CASH AND CASH EQUIVALENTS	248.051	247.015
	TOTAL ASSETS	11.623.644	16.013.356

MILANO ASSICURAZIONI S.p.A.

CONSOLIDATED FINANCIAL STATEMENTS AT 06/30/2010

In Euro thousands

COMPREHENSIVE INCOME STATEMENT

	06/30/2010	06/30/2009
CONSOLIDATED PROFIT/(LOSS)	-195.292	49.033
Change in the translation reserve		
Profit or loss on available-for-sale financial assets	-1.115	-15.468
Profit or loss on cash flow hedges	-1.212	-639
Profit or loss on a net foreign investment hedge		
Change in shareholders' equity of investments		
Change in the revaluation reserve of intangible assets		
Change in the revaluation reserve of tangible assets		
Income/(charges) on non-current assets or of a discontinued group held for sale	1.322	2.905
Actuarial profits and losses and adjustments relating to defined benefit plans	-796	-511
Others items		
TOTAL OTHER COMPREHENSIVE INCOME STATEMENT COMPONENTS	-1.801	-13.713
TOTAL COMPREHENSIVE CONSOLIDATED INCOME STATEMENT	-197.093	35.320
group share	-197.680	35.553
minority share	587	-233

MILANO ASSICURAZIONI S.p.A.

Consolidated Profit and Loss

Thousand of Euro

Profit and Loss

		06/30/2010	06/30/2009 (*)
1.1	Net Retained Premium	1.797.236	1.748.249
1.1.1	Gross premiums written	1.865.211	1.844.501
1.1.2	Outwards reinsurance	-67.975	-96.252
1.2	Commissino income	138	95
1.3	Net income on financial instruments at fair value through profit and loss	1.499	39.222
1.4	Income from subsidiaries, associates and joint ventures	271	283
1.5	Income from other financial instruments and investment property	211.584	209.615
1.5.1	Interest income	106.691	133.613
1.5.2	Other income	39.737	43.095
1.5.3	Realised gains	65.156	32.907
1.5.4	Unrealised gains		
1.6	Other revenues	96.708	85.310
1	TOTAL REVENUES	2.107.436	2.082.774
2.1	Net charges relating to claims	-1.512.749	-1.408.485
2.1.1	Amounts paid and change in technical reserves	-1.536.443	-1.454.663
2.1.2	Reinsurers' share	23.694	46.178
2.2	Commission expense	-35	-43
2.3	Charges relating to subsidiaries, associates and joint ventures	-13.479	-6.903
2.4	Chargers relating to other financial instruments and investment property	-224.988	-73.880
2.4.1	Interest expense	-7.042	-6.949
2.4.2	Other expense	-10.099	-5.715
2.4.3	Realised losses	-29.341	-24.748
2.4.4	Unrealised losses	-178.506	-36.468
2.5	Management expense	-338.780	-326.610
2.5.1	Commissions and other acquisition expense	-277.710	-272.084
2.5.2	Investment management expense	-1.367	-2.122
2.5.3	Other administrative expense	-59.703	-52.404
2.6	Other costs	-219.463	-193.065
2	TOTAL COSTS AND CHARGES	-2.309.494	-2.008.986
	PROFIT (LOSS) FOR THE YEAR BEFORE TAX	-202.058	73.788
3	Tax	3.485	-20.962
	NET PROFIT (LOSS) FOR THE YEAR	-198.573	52.826
4	PROFIT (LOSS) ON DISCONTINUED OPERATIONS	3.281	-3.793
	CONSOLIDATED PROFIT (LOSS)	-195.292	49.033
	attributable to the Group	-195.275	50.743
	attributable to Minorities	-17	-1.710

(*) Figures restated according to IFRS 5

MILANO ASSICURAZIONI S.p.A.

CONSOLIDATED BALANCE SHEET AS AT 06/30/2010

Thousands of Euro

BALANCE SHEET - SHAREHOLDERS' EQUITY AND LIABILITIES

		06/30/2010	12/31/2009
1	SHAREHOLDERS' EQUITY	1.627.477	1.987.923
1.1	attributable to the Group	1.626.107	1.881.921
1.1.1	Share capital	305.851	305.851
1.1.2	Other equity instruments		
1.1.3	Capital reserves	718.147	718.147
1.1.4	Retained earnings and other equity reserves	982.888	1.181.009
1.1.5	(Own shares)	-31.353	-31.353
1.1.6	Reserve for net exchange rate differences		
1.1.7	Gains or losses on available-for-sale financial assets	-149.677	-148.605
1.1.8	Other gains or losses written directly to equity	-4.474	-3.141
1.1.9	Profit (loss) for the year	-195.275	-139.987
1.2	attributable to minority interests	1.370	106.002
1.2.1	Capital and reserves	1.387	104.531
1.2.2	Gains or losses written directly to equity		-604
1.2.3	Profit (loss) for the year	-17	2.075
2	PROVISIONS	110.163	89.801
3	TECHNICAL RESERVES	8.943.870	9.013.937
4	FINANCIAL LIABILITIES	467.721	466.147
4.1	Financial liabilities at fair value through profit and loss	71.861	68.215
4.2	Other financial liabilities	395.860	397.932
5	PAYABLES	275.286	351.370
5.1	Payables relating to direct insurance business	30.272	42.961
5.2	Payables relating to direct reinsurance business	43.752	37.811
5.3	Other payables	201.262	270.598
6	OTHER LIABILITIES	199.127	4.104.178
6.1	Held-for-sale liabilities of discontinued operations		3.873.999
6.2	Deferred tax liabilities	36.034	56.687
6.3	Current tax liabilities		
6.4	Other liabilities	163.093	173.492
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	11.623.644	16.013.356

MILANO ASSICURAZIONI S.p.A.

CONSOLIDATED ACCOUNTS AS AT 09/30/2010

Amounts in €K

Profit and Loss account by business segment

	Non-Life business		Life business		Real Estate business		Other		Inter-Segment Eliminations		Total	
	expense	income	expense	income	expense	income	expense	income	expense	income	expense	income
1.1	1.536.794	1.526.774	260.442	221.475	-	-	-	-	-	-	1.797.236	1.748.249
1.1.1	1.596.519	1.615.648	266.692	229.953	-	-	-	-	-	-	1.865.211	1.844.601
1.1.2	61.725	68.874	6.250	7.376	-	-	-	-	-	-	67.075	56.252
1.2	-	-	1.38	95	-	-	-	-	-	-	138	95
1.3	1.969	2.3076	3.351	16.746	1.17	1.17	-	-	-	-	1.469	39.222
1.4	271	6.551	-	-	-	-	-	-	6.268	271	-	263
1.5	102.251	103.601	99.855	5.720	7.771	2	-	-	-	-	211.854	209.615
1.6	75.306	64.330	10.512	6.438	983	43	14.499	6.782	-	-	96.708	85.310
1	1.712.683	1.722.990	378.044	343.739	6.740	7.814	14.499	6.782	6.268	-	2.107.438	2.082.774
2.1	1.226.408	1.155.099	266.341	253.396	-	-	-	-	-	-	-	-
2.1.1	1.246.890	1.194.650	289.553	290.033	-	-	-	-	-	-	-	-
2.1.2	20.482	319.531	3.212	6.647	-	-	-	-	-	-	1.512.749	1.408.465
2.2	-	-	35	43	-	-	-	-	-	-	23.684	46.178
2.3	10.479	6.718	161	185	2.839	-	-	-	-	-	13.479	6.905
2.4	188.928	43.982	27.781	27.141	6.274	3.134	7	23	-	-	224.986	73.980
2.5	325.054	309.774	13.726	16.828	-	8	-	-	-	-	338.780	326.610
2.6	187.739	157.903	20.195	20.107	1.925	628	-	-	-	-	219.463	193.065
2	1.838.996	1.673.076	348.239	317.690	10.038	3.770	16.933	14.460	6.782	-	2.399.494	2.018.818
PRE-TAX PROFIT (LOSS) FOR THE FINANCIAL YEAR	228.853	49.814	28.015	26.048	6.268	4.944	388	49	6.268	-	202.058	73.788