

PREMAFIN FINANZIARIA S.p.A.
Holding di Partecipazioni

**INTERIM CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS**

**AS OF AND FOR THE SIX
MONTHS ENDED JUNE 30, 2012**

These condensed consolidated financial statements of the Premafin Group as of and for the six months ended 30 June 2012 were prepared in accordance with IAS 34 and the provisions of Article 154-ter of Legislative Decree 58/1998 (Consolidated Finance Act - TUF). The valuation and measurement of the accounting figures in the notes to the financial statements are based on the IAS/IFRS standards now approved by the European Union and on their current interpretation by official bodies.

These financial statements do not include all the information required for the annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2011.

The presentation of the financial position, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the cash flow statement, the statement of financial position per business segment and income statement per business sector is in accordance with the provisions of ISVAP Regulation No. 7 of 13 July 2007.

It is assumed that Fondiaria-SAI prepares the consolidated financial statements in accordance with IAS/IFRS applied on a consistent basis.

However, for reasons of timeliness and in order not to repeat information already present in the annual financial statements, these condensed interim consolidated financial statements provide more limited interim information than the information included in the said annual financial statements, in accordance with the minimum disclosure as per by IAS 34, as well as other regulatory provisions.

PREMAFIN FINANZIARIA S.p.A.
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**INTERIM CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS**

**AS OF AND FOR THE THE SIX
MONTHS ENDED JUNE 30, 2012**

**STATEMENT OF FINANCIAL
POSITION**

INCOME STATEMENT

PREMAFIN FINANZIARIA - S.P.A.
Holding di Partecipazioni

CONSOLIDATED FINANCIAL STATEMENTS
AT 30.6.12

(Values in € thousands)

STATEMENT OF FINANCIAL POSITION

ASSETS	JUN 2012	DEC 2011
1 INTANGIBLE ASSETS	1.444.703	1.517.604
1,1 Goodwill	1.400.390	1.422.447
1,2 Other intangible assets	44.313	95.157
2 PROPERTY AND EQUIPMENT	379.463	405.349
2,1 Buildings	313.935	318.928
2,2 Other tangible assets	65.528	86.421
3 REINSURANCE ASSETS	759.453	701.880
4 INVESTMENTS	32.354.358	33.817.046
4,1 Investment property	2.466.371	2.776.452
4,2 Investments in subsidiaries, associates and joint ventures	107.717	116.795
4,3 Investments held to maturity	725.783	599.713
4,4 Loans and receivables	3.873.274	3.688.865
4,5 Financial assets available-for-sale	18.039.791	17.608.557
4,6 Financial assets at fair value through profit or loss	7.141.422	9.026.664
5 OTHER RECEIVABLES	2.212.919	2.349.186
5,1 Receivables from direct insurance operations	1.300.933	1.698.430
5,2 Receivables from reinsurance operations	86.751	78.637
5,3 Other receivables	825.235	572.119
6 OTHER ASSETS	1.677.513	1.803.838
6,1 Non-current assets or disposal group classified as held for sale	189.988	87.151
6,2 Insurance deferred acquisition costs	31.146	30.301
6,3 Deferred tax assets	887.332	1.155.062
6,4 Tax receivable assets	321.570	316.587
6,5 Other assets	247.477	214.737
7 CASH AND CASH EQUIVALENTS	981.716	1.004.105
TOTAL ASSETS	39.810.125	41.599.008

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(Values in € thousands)

STATEMENT OF FINANCIAL POSITION

SHAREHOLDERS' EQUITY AND LIABILITIES	JUN 2012	DEC 2011
1 SHAREHOLDERS' EQUITY	1.540.272	1.274.415
1,1 shareholders' equity attributable to the Group	(7.575)	(32.065)
1.1.1 Share Capital	141.441	410.340
1.1.2 Other equity instruments	-	-
1.1.3 Capital reserves	-	21
1.1.4 Retained earnings and other reserves	(1.658)	664
1.1.5 (Treasury shares)	(43.183)	(43.183)
1.1.6 Reserve for currency translation difference	(18.603)	(14.985)
1.1.7 Unrealized gain or loss on financial assets available for sale	(72.359)	(127.658)
1.1.8 Other unrealized gains and losses through equity	2.968	6.332
1.1.9 Net profit (loss) for the period	(16.181)	(263.596)
1,2 shareholders' equity attributable to non controlling interest	1.547.847	1.306.480
1.2.1 Non-controlling interest capital and reserves	1.906.998	2.680.192
1.2.2 Unrealized gains and losses through equity	(382.323)	(600.208)
1.2.3 Net profit (loss) for the period	23.172	(773.504)
2 PROVISIONS FOR RISKS AND CHARGES	317.269	337.122
3 INSURANCE CONTRACT LIABILITIES	33.535.319	35.107.505
4 FINANCIAL LIABILITIES	2.920.993	3.527.671
4,1 Financial liabilities at fair value through profit or loss	760.624	1.349.506
4,2 Other financial liabilities	2.160.369	2.178.165
5 PAYABLES	845.147	795.951
5,1 Payables from direct insurance operations	94.414	78.999
5,2 Payables from reinsurance operations	87.793	84.912
5,3 Other payables	662.940	632.040
6 OTHER LIABILITIES	651.125	556.344
Liabilities directly associated with non-current assets or disposal group classified as held for sale		
6,1	103.940	-
6,2 Deferred tax liabilities	121.425	133.452
6,3 Tax payable	51.926	18.147
6,4 Other liabilities	373.834	404.745
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	39.810.125	41.599.008

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(Values in €thousands)

INCOME STATEMENT		JUN 2012	JUN 2011
1,1	Net premiums	4.925.687	6.035.870
1.1.1	<i>Gross premiums written</i>	5.087.222	6.188.403
1.1.2	<i>Premiums ceded to re-insurers</i>	(161.535)	(152.533)
1,2	Fee and commission income	4.987	13.745
1,3	Income and charges from financial instruments at fair value through profit and loss	326.047	74.954
1,4	Income from investments in subsidiaries, associates and joint ventures	667	15.021
1,5	Income from other financial instruments and investment properties	636.693	599.860
1.5.1	<i>Interest income</i>	407.809	391.162
1.5.2	<i>Other income</i>	92.538	83.449
1.5.3	<i>Realised profits</i>	129.592	125.084
1.5.4	<i>Unrealized gains and reversal of impairment losses</i>	6.754	165
1,6	Other income	175.732	317.321
1	TOTAL INCOME	6.069.813	7.056.771
2,1	Net insurance benefit and claims	(4.447.543)	(5.340.703)
2.1.2	<i>Claims paid and changes in insurance contract liabilities</i>	(4.602.766)	(5.430.267)
2.1.3	<i>Reinsurers' share</i>	155.223	89.564
2,2	Fee and commission expenses	(4.418)	(9.105)
2,3	Expenses from investments in subsidiaries, associates and joint ventures	(8.211)	(261)
2,4	Expenses from other financial instruments and investment property	(230.726)	(257.011)
2.4.1	<i>Interest expense</i>	(36.801)	(50.717)
2.4.2	<i>Other expenses</i>	(34.291)	(33.122)
2.4.3	<i>Realised losses</i>	(45.627)	(67.437)
2.4.4	<i>Unrealized losses and impairment losses</i>	(114.007)	(105.735)
2,5	Operating expenses	(863.080)	(982.382)
2.5.1	<i>Commissions and other acquisition expenses</i>	(645.754)	(734.568)
2.5.2	<i>Investment management cost</i>	(7.130)	(7.099)
2.5.3	<i>Other administration expenses</i>	(210.196)	(240.715)
2,6	Other expenses	(448.935)	(509.510)
2	TOTAL EXPENSES	(6.002.913)	(7.098.972)
	PROFIT/(LOSS) BEFORE TAXES	66.900	(42.201)
3	TAXES	(48.765)	(22.260)
	PROFIT/(LOSS) AFTER TAXES	18.135	(64.461)
4	LOSS FROM DISCONTINUED OPERATIONS	(11.144)	-
	PROFIT/(LOSS) FOR THE PERIOD	6.991	(64.461)
	Profit/(Loss) attributable to equity shareholders of the parent	(16.181)	(43.535)
	Profit/(Loss) attributable to non controlling interest	23.172	(20.926)

PREMAFIN FINANZIARIA - S.P.A.
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CONSOLIDATED FINANCIAL STATEMENTS
AT 30.6.12

(Values in € thousands)

COMPREHENSIVE INCOME STATEMENT	JUN 2012	JUN 2011
CONSOLIDATED PROFIT/(LOSS)	6.991	(64.461)
Change in reserve for currency translation differences	(13.450)	(24.933)
Gain or loss from financial assets available for sale	295.189	13.848
Gain or loss on cash flow hedging instruments	(8.014)	8.819
Gain or loss on a net foreign investment hedge	-	-
Change in net equity of holdings	(3.723)	(515)
Change in revaluation reserve of intangible assets	-	-
Change in revaluation reserve of property and equipment	-	-
Income/(charges) on non-current assets or disposal group classified as held for sale	-	-
Actuarial gains and losses and adjustments to employee defined benefit plans	(3.800)	(246)
Others	-	2.857
TOTAL OTHER COMPREHENSIVE INCOME STATEMENT ITEMS	266.202	(170)
TOTAL COMPREHENSIVE CONSOLIDATED INCOME	273.193	(64.631)
Attributable to equity shareholders of the parent	32.137	(39.570)
Attributable to non controlling interest	241.056	(25.061)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AT 30 JUNE 2012

With respect to the statement of changes in shareholders' equity, below is the attachment required by ISVAP Regulation No. 7/07, which complies with the instructions of IAS 1 and transposes the changes introduced by ISVAP Resolution 2784 of March 8, 2010.

Specifically:

- the "Allocation" column shows, *inter alia*, the allocation of the result of the year, the result for the previous year to reserves, increases in share capital and other reserves, and changes in unrealized gains and losses through equity. The column "Adjustments from reclassification to the income statement" includes all profit or loss previously recorded through equity which are reclassified to the income statement in accordance with international accounting standards;
- the "Transfers" item include, *inter alia*, dividend distributions and decreases of share capital and other reserves, including the purchase of treasury shares.

The statement shows all changes net of tax and of profit and loss resulting from the valuation of financial assets available for sale, attributable to policyholders and to be charged to insurance liabilities.

PREMAFIN FINANZIARIA - S.P.A.

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CONSOLIDATED FINANCIAL STATEMENTS

AT 30 JUNE 2012

(Values in €thousands)

STATEMENT OF CHANGES

IN SHAREHOLDERS' EQUITY

	Existing at 31.12.10	Change to closing balances	Allocation	Adjustments for reclassification to the income statement		Existing at 30.6.11	Existing at 31.12.11	Change to closing balances		Adjustments for reclassification to the income statement		Existing at 30.6.12
				Transfers				Allocation	Transfers			
Equity shareholders of the parent												
Share Capital	410.340	-	-	-	-	410.340	410.340	-	(268.899)	-	-	141.441
Other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Capital reserves	21	-	-	-	-	21	21	-	(21)	-	-	-
Retained earnings and other capital reserves (Treasury shares)	263.360 (43.183)	-	(267.962)	-	-	(4.602) (43.183)	664 (43.183)	-	(2.322)	-	-	(1.658) (43.183)
Profit (loss) for the period	(271.541)	-	228.006	-	-	(43.535)	(263.596)	-	247.415	-	-	(16.181)
Other items of the comprehensive income statement	(8.767)	-	(14.794)	18.759	-	(4.802)	(136.311)	-	31.763	16.554	-	(87.994)
Equity shareholders of the parent total	350.230	-	(54.750)	18.759	-	314.239	(32.065)	-	7.936	16.554	-	(7.575)
Non- controlling interests												
Non controlling capital and reserves	2.627.767	-	(590.242)	-	-	2.037.525	2.680.192	-	(773.194)	-	-	1.906.998
Profit (loss) for the period	(676.625)	-	655.699	-	-	(20.926)	(773.505)	-	796.677	-	-	23.172
Other items of the comprehensive income statement	(31.256)	-	(53.036)	48.901	-	(35.391)	(600.207)	-	142.159	75.725	-	(382.323)
Non controlling interests total	1.919.886	-	12.421	48.901	-	1.981.208	1.306.480	-	165.642	75.725	-	1.547.847
Total	2.270.116	-	(42.329)	67.660	-	2.295.447	1.274.415	-	173.578	92.279	-	1.540.272

CONSOLIDATED CASH FLOW STATEMENT AT 30 JUNE 2012

With regard to the cash flow statement the attachment required by ISVAP Regulation No. 7/2007 is provided, complying with the instructions contained in IAS 7, which provides for a free-form statement with a series of minimum requirements and, for presentation of cash flows deriving from operating activities, requires either the use of the direct method, which shows the principal categories of gross receipts and payments, or alternatively the indirect method, in which the results for the period are adjusted for the effects of non-cash transactions, any deferrals or accruals of previous or future operating receipts and payments and income or costs relating to financial cash flows deriving from investment and financial activities.

The following cash flow statement, prepared using the indirect method, separately sets forth the net cash flow from operating activity and that from investment and financial activities.

PREMAFIN FINANZIARIA - S.P.A.
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CONSOLIDATED FINANCIAL STATEMENTS
AT 30.6.12

CASH FLOW STATEMENT

(indirect method)

(Values in € thousands)

	JUN 2012	JUN 2011
Profit/(loss) before taxes	66.900	(42.201)
Non-cash items included in the profit/(loss) before taxes	(1.726.467)	944.222
Change in non-life unearned premium provision	(91.736)	22.645
Change in claims provision and other non-life technical provision	(257.866)	(32.909)
Change in mathematical provisions and other life technical provisions	(1.412.290)	653.053
Change in deferred acquisition costs	(845)	17.454
Change in provisions for risks and charges	(21.360)	(29.123)
Non-cash income and expenses from financial instruments, property and investments	(95.892)	46.033
Other	153.522	267.069
Change in receivables and payables from operating activities	302.806	50.979
Change in receivables and payables from direct insurance and reinsurance operations	233.910	95.196
Change in other receivables and payables	68.896	(44.217)
Income taxes paid	(8.977)	(11.392)
Net cash flow from/(used in) investing and financing activities	1.195.659	(942.757)
Liabilities from financial contracts issued by insurance companies	(625.630)	(142.556)
Due to bank and interbank	(25.494)	(19.698)
Loans and receivables from bank and interbank	(202.543)	(39.669)
Other financial instruments recognised at fair value through profit and loss	2.049.326	(740.834)
NET CASH FLOW USED IN OPERATING ACTIVITIES	(170.079)	(1.149)
Net cash flow from/(used in) investment property	67.589	(3.373)
Net cash flow from/(used in) investments in subsidiaries, associates and joint ventures	2.542	(20.166)
Net cash flow from/(used in) loans and receivables	20.024	(434.153)
Net cash flow used in investments held to maturity	(126.070)	(11.763)
Net cash flow from financial assets available-for-sale	108.154	620.285
Net cash flow used in property and equipment and intangible assets	(18.189)	(27.190)
Net cash flows from/(used in) investing activities	85.307	(18)
TOTAL NET CASH FLOW FROM INVESTING ACTIVITIES	139.357	123.622
Proceeds from Group equity instruments	-	352
Proceeds from treasury shares	-	-
Dividends paid	-	-
Net cash flow from/(used in) non-controlling interests capital and reserves	-	47.323
Net cash flow from/(used in) subordinate liabilities and financial instruments in holdings	-	-
Net cash flow generated/absorbed by other financial liabilities	8.333	(274.525)
TOTAL NET CASH FLOW FROM FINANCING ACTIVITIES	8.333	(226.850)
Effects of exchange rate changes on cash and cash equivalents	(3.319)	(1.958)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1.004.105	628.404
NET DECREASE IN CASH AND CASH EQUIVALENTS	(22.389)	(104.377)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	981.716	524.027

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**INTERIM CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS**

**AS OF AND FOR THE SIX
MONTHS ENDED JUNE 30, 2012**

EXPLANATORY NOTES

PART A – ACCOUNTING POLICIES

The accounting standards utilised, the recognition and measurement criteria and the consolidation methods applied in preparing the condensed interim consolidated financial statements at 30 June 2012 are consistent with those adopted for the consolidated financial statements at 31 December 2011, to which reference is made, and therefore in compliance with the IAS/IFRS issued by the IASB, endorsed by the EU in their current interpretation by official bodies.

The reader is therefore referred to the consolidated financial statements for 2011 for a detailed description of the methods used.

The adoption of new accounting standards to be applied as of 1 January 2012 (including the amendment to IAS 12 *Income tax*) has not had a significant impact on these condensed interim consolidated financial statements at 30 June 2012.

In addition, in June 2012 the new IAS 19 was endorsed making provision, *inter alia*, for the elimination of the “corridor” accounting method. This principle will be effective starting from January 1, 2013. It is not, however, expected to have any significant impact on the consolidated financial statements.

The income statement and statement of financial position and the explanatory notes to the financial statements were prepared in accordance with IAS 34 for interim financial statements, showing the significant transactions and events occurred during the period. In preparing interim reports, the application of the accounting standards for preparation and valuation criteria required for annual financial statements entails greater use of valuations, estimates and assumptions that influence the application of accounting standards and therefore the net asset and cost and income amounts recognised in the financial statements.

The estimates and assumptions are regularly revised, and any changes resulting from their revision are recognised in the period in which the revision is made.

Going concern of the Parent Company Premafin

On 19 July 2012, pursuant to the investment agreement of 29 January 2012 signed with Unipol Gruppo Finanziario S.p.A. (“UGF”), the Premafin capital increase took place, approved by the Extraordinary Shareholders’ Meeting of 12 June 2012 and reserved to UGF, subscribing and releasing a total of 1,741,239,877 unlisted, new issue Premafin ordinary shares for a total amount of Euro 339,541,776.02.

Through this subscription UGF became the controlling shareholder of Premafin with a stake equal to approximately 81% of its share capital. Phase 1 of the Premafin financial liabilities restructuring agreement, signed on June, 13 2012 came into force.

The fulfilment of these circumstances, consistently with the Report on the 2011 financial statements, determined that the uncertainties with regard to the continuity of the Company as a going concern no longer exist.

Non-Life claims provisions

Motor TPL

Current Year:

To determine the current year provision for claims managed, the valuation, based on the analysis of the average cost obtained made in relation with the financial statements for the year 2011 was taken into account. To determine the current year provisions for claims managed the cost as above obtained was increase to make the ultimate costs consistent with those determined for the financial statements for the year 2011 and projected for the year 2012 taking into account the trend in the mix of claims reported, which shows a decrease in claims with injuries.

Previous Years:

For previous-year claims, already accrued to provisions at the beginning of the year, the valuation was made based on the ultimate cost determined at the end of 2011, based on the usual statistical methodologies on the change in the cost of claims, appropriately taking into account the reversals of the provisions occurred in the first half of 2012..

Other Non-Life classes

For both the current generation and for previous-year generations, the estimate of the loss performed by the technical offices was supplemented with the parameters already used for the preparation of the 2011 financial statements, in case of not significant statistical changes compared with long-standing trends.

Reinsurance

Reserves charged to reinsurers were calculated based on the portions ceded for proportional reinsurance contracts and in a provisional manner for excess-of-loss and stop-loss agreements, based on the information available and with the same criteria used to set up reserves for direct business, taking into account the contractual clauses.

The items referring to indirect insurance premiums represent the share of estimated year-end results; in determining amounts, reference was made to certified data relating to mandatory contracts accepted by companies outside the Group, whose technical results refer to 2011,.

Valuation and impairment of financial instruments

With regard to the valuation of financial instruments, reference should be made to the financial statements for the year ended December 31, 2011.

The “fair value policy” stated therein has not changed and, therefore, with regard to financial instruments listed in activemarkets, the specific trading value at 30 June 2012 was used.

Consequently, in this half-year report the income statement reflects the losses in value on financial instruments “Available for Sale” recognised as a result of the application of the

automatic criteria already explained in the consolidated financial statements at 31 December 2011 and which identified time-related and quantitative thresholds to detect a prolonged or significant decrease in fair value as per paragraph 61 of IAS 39.

Therefore, for the purposes of recording the reduction of value, the Group has defined the conditions for a prolonged and significant reduction of fair value, defined as either of the following:

1. a reduction of the market value of more than 60% of the original cost at the reporting date of the financial statements
2. a market value continuously lower than the original book value, for a period of two years.

Greek sovereign debt

Note that on 24 February 2012, the Greek government bond exchange offer was approved, providing for every Euro 1,000 of nominal value of the bonds outstanding to be substituted with:

- 20 bonds issued by the Greek government with an overall nominal value of Euro 315 and maturing in 11 to 30 years
- two new bonds issued by the European Financial Stability Facility (EFSF) for an overall nominal amount of Euro 150
- GDP-linked bonds issued by Greece with a notional amount equal to that of the new bonds received in exchange (Euro 315) which will produce additional interest in the event that Greek GDP grows above a fixed threshold
- short-term zero coupon bonds issued by the EFSF to hedge the unpaid interest accrued on old Greek government issues on the date of the agreement.

As previously indicated in the 2011 consolidated financial statements, the Group companies subscribed for all bonds held.

With respect to the securities received in substitution, these have been recognised in the “held for trading” category. The respective effects are shown in the notes to the financial statements.

In this regard, note that the Group’s exposure to Greek sovereign debt securities totalled a nominal amount at 30 June of Euro 111.6 million.

Reclassification of financial instruments

Note that in accordance with IAS 39, as amended in October 2008 upon approval of Regulation (EC) No 1004/2008, a financial asset classified as available for sale may be reclassified in the category “Loans and receivables” provided that it complies with the requirements for this classification and that the Group also has the intention and the capacity to hold the financial asset for the foreseeable future or until maturity.

Using this option, the Group decided to reclassify at 1 January 2009 some debt securities appearing in the financial statements at 31 December 2008 for Euro 808,419 thousand from

the “Available for sale” category to the “Loans and receivables” category. These securities, mainly containing subordination clauses and issued by corporate entities, were measured at fair value at 31 December 2008 by mark to model, with the purpose of providing the utmost transparency and clarity in financial statement valuations. This intention is not easily matched with the nature of the securities and with the difficulty of defining and therefore providing an objective fair value, due to the current economic and financial crisis, which does not allow for normal pricing, especially for these types of securities.

The value transferred is equal to 2.4% of total Group investments at 1 January 2009: therefore this reclassification was not considered significant for the purposes of preparing the appendix “Breakdown of reclassified financial assets and effects on the income statement and total income”.

We note that the residual book value of the securities transferred on 30 June 2012 amounts to Euro 734,140 thousand, and the fair value at this date, calculated using the abovementioned mark to model method, basically confirms the book value at the date of this report. There was no permanent loss in value on any security, and the effect of the amortised cost resulted in the recognition of Euro 6,151 thousand in income on the income statement. The residual negative AFS reserve on these securities at 1 January 2009 amounted to Euro 75,222 thousand and was amortised according to the rules set out in IAS 39. The residual value at 30 June 2012 stood at Euro 49,132 thousand.

Consolidation methods

The consolidation methods used in preparing the last consolidated financial statements are consistent with those applied for the last consolidated financial statements.

For a specific description of these, see the annual report. Any references to the date of 31 December should be understood as 30 June.

In preparing these consolidated half-year financial statements, the half-year financial statements approved by the Boards of Directors of the respective companies have been used, or otherwise specific half-year statements examined by their respective governance bodies.

Currency

These interim financial statements are expressed in Euro (€), since this is the currency in which the majority of Group transactions are carried out. The interim financial statements also indicate whether the amounts reported are in thousands or millions of Euro. When pertinent, interim financial statements expressed in currencies other than the Euro are translated by applying the actual exchange rates at the reporting date for items in the statement of financial position and the average rate from the start to the end of the financial period for items in the income statement.

GROUP STRUCTURE

Basis of consolidation

At 30 June 2012, the Premafin Group overall, including the Parent Company, was made up of 112 companies, of which 17 operated in the insurance sector, 1 in the banking sector, 44 in the property and agricultural sectors and 21 in the financial services sector, with the remainder being miscellaneous service companies. The foreign companies within the Group are 18.

The fully consolidated companies are 83, while 15 are consolidated under the equity method, and the remainder are consolidated in accordance with the proportional method or maintained at cost if their size or nature of activities are not significant for the purposes of true and fair representation in these financial statements.

There are 91 subsidiaries, of which six are controlled directly by the Parent Company.

During the first half-year of 2012, the scope of consolidation of the Premafin Group did not undergo noteworthy changes, except for the exit from the consolidation scope of Igli S.p.A., MB Venture Capital and Quintogest S.p.A., as well as the incorporation of Sistemi Sanitari S.c.a.r.l. into Gruppo Fondiaria-SAI Servizi S.c.a.r.l.

Lastly, pursuant to IAS 27, paragraph 40 d), the associate Fondiaria-SAI Servizi Tecnologici S.p.A. is valued in accordance with the equity method since, although Fondiaria-SAI has the majority of the voting rights (51%), the operating control of the associate is exercised by the other partner, HP Enterprise Services Italia S.r.l., due to governance agreements signed.

Name - Registered office	Currency	Capital capital	Percentage of control		Group interest	
			Direct	Indirect		
SUBSIDIARIES						
Companies consolidated line-by-line						
APB CAR SERVICE S.r.l. (EX MERIDIANO QUARTO) - Turin	Euro	10.000		Auto Presto & Bene S.p.A.	100,00%	26,396%
Atahotels Compagnia Italiana aziende turistiche alberghiere S.p.A. - Milan	Euro	15.000.000		Fondiarìa-SAI S.p.A.	51,00%	
				Milano Assicurazioni S.p.A.	49,00%	21,660%
ATAVALUE S.r.l. - Turin	Euro	10.000		SAI Holding Italia S.p.A.	100,00%	26,396%
ATHENS R.E. FUND - SPECULATIVE FUND				Milano Assicurazioni S.p.A.	100,00%	16,732%
Auto Presto & Bene S.r.l. - Turin	Euro	2.619.061		Fondiarìa-SAI S.p.A.	100,00%	26,396%
Banca SAI S.p.A. - Turin	Euro	116.677.161		Fondiarìa-SAI S.p.A.	100,00%	26,396%
BIM VITA S.p.A. - Turin	Euro	11.500.000		Fondiarìa-SAI S.p.A.	50,00%	13,198%
Bramante S.r.l. - Milan	Euro	10.000		Immobiliare Fondiarìa-SAI S.r.l.	100,00%	26,396%
Campo Carlo Magno S.p.A. - Pinzolo (Tn)	Euro	9.311.200		Milano Assicurazioni S.p.A.	100,00%	16,732%
Carpaccio S.r.l. - Milan	Euro	10.000		Immobiliare Fondiarìa-SAI S.r.l.	100,00%	26,396%
Casa di Cura Villa Donatello S.p.A. - Florence	Euro	361.200		Fondiarìa-SAI S.p.A.	100,00%	26,396%
Cascine Trenno S.r.l. - Turin	Euro	10.000		Immobiliare Fondiarìa-SAI S.r.l.	100,00%	26,396%
Centro Oncologico Fiorentino Casa di Cura Villanova S.r.l. (EX Casa Di Cura Villanova) - Sesto Fiorentino (Fi)	Euro	182.000		Fondiarìa-SAI S.p.A.	100,00%	26,396%
Città della salute Scrl	Euro	100.000		Casa di Cura Villa Donatello	50,00%	
				Centro Oncologico Fiorentino Casa di Cura Villanova	45,00%	
				Donatello Day Surgery S.r.l.	2,50%	
				Florence Centro Chirurgia AMBULATORIALE	2,50%	26,396%
Colpetrone S.r.l. - Umbertide (PG)	Euro	10.000		Saiagricola S.p.A.	100,00%	25,741%
Consorzio Castello - Florence	Euro	401.000		Nuove Iniziative Toscane S.r.l.	99,57%	25,981%
DDOR Novi Sad Ado - Novi Sad (Serbia)	RSD	2.579.597.280		Fondiarìa-SAI S.p.A.	99,99%	26,393%
DDOR Re Joint Stock Reinsurance Company - Novi Sad (Serbia)	Euro	5.130.604		The Lawrence Re Ireland Ltd	99,998%	
				DDOR Novi Sad ADO	0,002%	26,396%
Dialogo Assicurazioni S.p.A. - Milan	Euro	8.831.774,00		Milano Assicurazioni S.p.A.	99,85%	16,706%
Dominion Insurance Holding Ltd - London (GB)	GBP	35.438.267,65		Finsai International S.A.	100,00%	26,393%
Donatello Day Surgery S.r.l. - Florence	Euro	20.000		Centro Oncologico Fiorentino Casa di Cura Villanova	100,00%	26,396%
Europa Tutela Giudiziaria S.p.A. - Milan	Euro	5.160.000		Fondiarìa-SAI S.p.A.	100,00%	26,396%
Eurosai Finanziaria di Partecipazioni S.r.l. - Turin	Euro	100.000		Fondiarìa-SAI S.p.A.	100,00%	26,396%
Finadin - S.p.A. Finanziaria di Investimenti - Milan	Euro	100.000.000	60,00%	Sai-fin-Sainfinanziaria S.p.A.	40,00%	70,56%
Finitalia S.p.A. - Milan	Euro	15.376.285		BANCA SAI S.p.A.	100,00%	26,396%
Finsai International S.A. - Luxembourg	Euro	44.131.900		Fondiarìa-SAI S.p.A.	19,92%	
				Sainternational S.A.	43,93%	
				Sailux SA	36,15%	26,396%
Florence Centro di Chirurgia Ambulatoriale S.r.l. - Florence	Euro	10.400		Centro Oncologico Fiorentino Casa di Cura Villanova	100,00%	26,396%
Fondiarìa-SAI Nederland B.V. - Amsterdam (NL)	Euro	19.070		Fondiarìa-SAI S.p.A.	100,00%	26,396%

Name - Registered office	Currency	Capital capital	Percentage of control		Group interest	
			Direct	Indirect		
Gruppo Fondiaria-SAI Servizi S.c.r.l.- Milan	Euro	5.200.000		Fondiaria-SAI S.p.A.	64,16%	
				Milano Assicurazioni S.p.A.	34,21%	
				Systema Compagnia S.p.A.	0,18%	
				Dialogo Assicurazioni S.p.A.	0,20%	
				Europa Tutela giudiziaria S.p.A.	0,02%	
				Finitalia S.p.A.	0,02%	
				Incontra Assicurazioni S.p.A.	0,02%	
				The Lawrence Re Ireland Ltd	0,02%	
				BANCA SAI S.p.A.	0,02%	
				Pronto Assistance S.p.A.	0,90%	
				Sai Mercati Mobiliari Sim S.p.A.	0,02%	
				Liguria Assicurazioni S.p.A.	0,02%	
				Liguria Vita S.p.A.	0,02%	
				Pronto Assistance Servizi Scarl.	0,02%	
				BIM VITA S.p.A.	0,02%	
				SIAT S.p.A.	0,11%	
	AUTO PRESTO & BENE S.r.l.	0,02%				
	IMMOBILIARE LOMBARDA S.p.A.	0,02%	23,041%			
Fondiaria-SAI S.p.A. - Florence	Euro	494.731.136	23,324%	Finadin - S.p.A. Finanziaria di Investimenti	3,072%	26,396%
Immobiliare Fondiaria-SAI S.r.l - Milan	Euro	20.000		Fondiaria-SAI S.p.A.	100,00%	26,396%
Immobiliare Litorella S.r.l - Milan	Euro	10.329		Immobiliare Fondiaria-SAI S.r.l.	100,00%	26,396%
Immobiliare Lombarda S.p.A. - Milan	Euro	24.493.509,56		Fondiaria-SAI S.p.A.	64,17%	
				Milano Assicurazioni S.p.A.	35,83%	22,932%
Immobiliare Milano Assicurazioni S.r.l -Turin	Euro	20.000		Milano Assicurazioni S.p.A.	100,00%	16,732%
Incontra Assicurazioni S.p.A. - Milan	Euro	5.200.000		Fondiaria-SAI S.p.A.	51,00%	13,462%
Iniziative Valorizzazioni Edili - IN.V.ED. S.r.l. - Rome	Euro	10.329		Immobiliare Fondiaria-SAI S.r.l.	100,00%	26,396%
Insiediamenti Avanzati Nel Territorio I.A.T. S.p.A. - Rome	Euro	2.580.000		Immobiliare Fondiaria-SAI S.r.l.	100,00%	26,396%
International Strategy S.r.l. - Milan	Euro	26.000	100,00%			100,00%
Italresidence S.r.l. - Pieve Emanuele (Mi)	Euro	100.000		Atahotels S.p.A.	100,00%	21,660%
Liguria Società di Assicurazioni S.p.A. - Segrate (Mi)	Euro	36.800.000		Milano Assicurazioni S.p.A.	99,97%	16,727%
Liguria Vita S.p.A. - Segrate (Mi)	Euro	6.000.000		Liguria Assicurazioni SpA	100,00%	16,727%
Marina di Loano S.p.A. - Milan	Euro	5.536.000		Immobiliare Fondiaria-SAI S.r.l.	100,00%	26,396%
Masaccio S.r.l. - Milan	Euro	10.000		Immobiliare Fondiaria-SAI S.r.l.	100,00%	26,396%
Meridiano Aurora S.r.l. - Milan	Euro	10.000		Fondiaria-SAI S.p.A.	100,00%	26,396%
Meridiano Bellarmino S.r.l. - Turin	Euro	10.000		Immobiliare Fondiaria-SAI S.r.l.	100,00%	26,396%
Meridiano Bruzzano S.r.l. - Turin	Euro	10.000		Immobiliare Fondiaria-SAI S.r.l.	100,00%	26,396%
Meridiano Primo S.r.l. - Turin	Euro	10.000		Immobiliare Fondiaria-SAI S.r.l.	100,00%	26,396%
Meridiano Secondo S.r.l. - Turin	Euro	10.000		Immobiliare Fondiaria-SAI S.r.l.	100,00%	26,396%
Milano Assicurazioni S.p.A. - Milan	Euro	373.682.600,42		Fondiaria-SAI S.p.A.	61,10%	
				Fondiaria Nederland BV	1,51%	
				Popolare Vita S.p.A.	0,02%	
				Pronto Assistance S.p.A.	0,06%	
				SAI Holding Italia S.p.A.	0,51%	
				SAI International S.A.	0,20%	16,732%
Mizar S.r.l. - Rome	Euro	10.329		Immobiliare Fondiaria-SAI S.r.l.	100,00%	26,396%
Nuova Impresa Edificatrice Moderna S.r.l. - Rome	Euro	10.329		Immobiliare Fondiaria-SAI S.r.l.	100,00%	26,396%
Nuove Iniziative Toscane S.r.l. - Florence	Euro	26.000.000		Fondiaria-SAI S.p.A.	96,88%	
				Milano Assicurazioni S.p.A.	3,12%	26,095%
Pontormo S.r.l. - Milan	Euro	50.000		Immobiliare Fondiaria-SAI S.r.l.	100,00%	26,396%
Popolare Vita S.p.A. - Verona	Euro	219.600.005		Fondiaria-SAI S.p.A.	24,39%	
				SAI Holding Italia S.p.A.	25,61%	13,198%
Progetto Bicocca La Piazza S.r.l. in liquidation - Milan	Euro	3.151.800		Immobiliare Fondiaria-SAI S.r.l.	74,00%	19,533%
Pronto Assistance S.p.A. - Turin	Euro	2.500.000		Fondiaria-SAI S.p.A.	100,00%	26,396%
Pronto Assistance Servizi Scarl. - Turin	Euro	516.000		Fondiaria-SAI S.p.A.	37,40%	
				Milano Assicurazioni S.p.A.	28,00%	
				Dialogo Assicurazioni S.p.A.	24,00%	
				Liguria Società di Assicurazioni S.p.A.	2,20%	
				Incontra Assicurazioni S.p.A.	0,15%	
				Systema Compagnia di Assicurazioni S.p.A	0,35%	
				Banca SAI S.p.A.	0,10%	
				Gruppo Fondiaria-SAI servizi	0,10%	
				Pronto Assistance S.p.A.	7,70%	21,095%

Name - Registered office	Currency	Capital capital	Percentage of control		Group interest	
			Direct	Indirect		
Ristrutturazioni Edili Moderne - R.EDIL.MO S.r.l. - Rome	Euro	10.329		Immobiliare Fondiaria-SAI S.r.l.	100,00%	26,396%
SAI Holding Italia S.p.A. - Turin	Euro	50.000.000		Fondiaria-SAI S.p.A.	100,00%	26,396%
SAI Investimenti S.G.R. S.p.A. - Turin	Euro	3.913.588	20,00%	Fondiaria-SAI S.p.A.	51,00%	
				Milano Assicurazioni S.p.A.	29,00%	38,313%
Sai Mercatili Mobiliari Sim S.p.A. - Milan	Euro	13.326.395		Fondiaria-SAI S.p.A.	100,00%	26,396%
Saigricola S.p.A. Società Agricola - Turin	Euro	66.000.000		Fondiaria-SAI S.p.A.	92,01%	
				Milano Assicurazioni S.p.A.	6,80%	
				Pronto Assistance S.p.A.	1,19%	25,738%
Saifin - Saifinanziaria S.p.A. - Turin	Euro	102.258.000		Fondiaria-SAI S.p.A.	100,00%	26,396%
SAILUX S.A. - Luxembourg	Euro	30.000.000		Saifin - Saifinanziaria S.p.A.	99,99%	
				Finsai International	0,01%	26,396%
Saint George Capital Management S.p.A. - Lugano (CH)	Sw.fr.	3.000.000		Saifin - Saifinanziaria S.p.A.	100,00%	26,396%
Sainternational S.A. - Luxembourg	Euro	154.000.000		Fondiaria-SAI S.p.A.	100,00%	26,396%
Santa Maria del Fico S.r.l. - Umbertide (PG)	Euro	78.000		Saigricola S.p.A. Società agricola	100,00%	25,738%
Scontofin S.A. - Luxembourg	Euro	75.000		Finadin - S.p.A. Finanziaria di Investimenti	70,00%	
				Sailux S.A.	19,00%	54,406%
Service Gruppo Fondiaria-Sai S.r.l. - Florence	Euro	104.000		Fondiaria-SAI S.p.A.	70,00%	
				Milano Assicurazioni S.p.A.	30,00%	23,497%
Siat Società Italiana Assicurazioni e Riassicurazioni S.p.A. - Genoa	Euro	38.000.000		SAI Holding Italia S.p.A.	94,69%	24,994%
SIM Etoile S.A.S. - Paris	Euro	3.049.011,34		Fondiaria-SAI S.p.A.	100,00%	26,396%
Sintesi Seconda S.r.l. Milan	Euro	10.400,00		Immobiliare Milano Assicurazioni S.r.l.	100,00%	16,732%
Società Edilizia Immobiliare Sarda S.E.I.S. S.p.A. - Rome	Euro	3.877.500		Immobiliare Fondiaria-SAI S.r.l.	51,67%	13,639%
Sogint S.r.l. - Milan	Euro	100.000		Milano Assicurazioni S.p.A.	100,00%	16,732%
SRP Asset Management S.A. - Lugano	Sw.fr.	1.000.000		SAI International S.A.	100,00%	26,396%
Stimma S.r.l. - Florence	Euro	10.000		Fondiaria-SAI S.p.A.	100,00%	26,396%
Systema Compagnia di Assicurazioni S.p.A. - Milan	Euro	5.164.600		Milano Assicurazioni S.p.A.	100,00%	16,732%
The Lawrence Life Assurance Co. Ltd - Dublin (IRL)	Euro	802.886		Popolare Vita S.p.A.	100,00%	13,198%
The Lawrence Re Ireland Ltd - Dublin (IRL)	Euro	635.000		Fondiaria Nederland B.V.	100,00%	26,396%
Tikal R.E. Fund				Fondiaria-SAI S.p.A.	59,65%	
				Milano Assicurazioni S.p.A.	35,36%	21,660%
Trenno Ovest S.r.l. - Turin	Euro	10.000		Immobiliare Fondiaria-SAI S.r.l.	100,00%	26,396%
Villa Ragionieri S.r.l. - Florence	Euro	78.000		Fondiaria-SAI S.p.A.	100,00%	26,396%

Companies valued at book value

Ata Benessere S.r.l. in liquidation - Milan	Euro	100.000		Atahotels S.p.A.	100,00%	21,660%
DDOR auto Doo - Novi Sad (Serbia)	Euro	9.260,97		DDOR Novi Sad ADO	100,00%	26,393%
Global Card Service S.r.l. - Segrate (MI)	Euro	98.800		Liguria Vita SpA	51,00%	
				Liguria Assicurazioni SpA	44,00%	15,890%
Hotel Terme di Saint Vincent Srl - Saint-Vincent (Ao)	Euro	15.300		Atahotels S.p.A.	100,00%	21,660%
Investimenti Mobiliari S.r.l. - Milan	Euro	90.000	100,00%			100,000%
Ital H & R S.r.l. - Pieve Emanuele (Mi)	Euro	50.000		Italresidence S.r.l.	100,00%	21,660%
Partecipazioni e Investimenti S.r.l. - Milan	Euro	90.000	100,00%			100,000%
Partecipazioni Mobiliari S.r.l. - Milan	Euro	90.000	100,00%			100,000%
Tour Executive S.p.A. - Milan	Euro	118.300		Atahotels S.p.A.	100,00%	21,650%

Name - Registered office	Currency	Capital capital	Percentage of control		Group interest
			Direct	Indirect	
ASSOCIATES					
Companies valued using the equity method					
A 7 S.r.l. - Milan	Euro	200.000	Immobiliare Milano Assicurazioni S.r.l.	20,00%	3,347%
Borsoetto S.r.l. - Turin	Euro	2.971.782	Immobiliare Milano Assicurazioni S.r.l.	44,93%	7,517%
Butterfly AM S.a.r.l. - Luxembourg	Euro	29.165	Immobiliare Fondiaria-SAI S.r.l.	28,57%	7,541%
Consulenza Aziendale per l'informatica SCAI S.p.A. - Turin	Euro	1.040.000	Fondiaria-SAI S.p.A.	30,07%	7,937%
Fin. Priv. S.r.l. - Milan	Euro	20.000	Fondiaria-SAI S.p.A.	28,57%	7,541%
Fondiaria-SAI Servizi Tecnologici S.r.l. - Florence	Euro	120.000	Fondiaria-SAI S.p.A.	51,00%	13,462%
Garibaldi S.C.A. - Luxembourg	Euro	31.000	Milano Assicurazioni S.p.A.	32,00%	5,353%
Isola S.c.a. (ex HEDF Isola)- Luxembourg	Euro	31.000	Milano Assicurazioni S.p.A.	29,56%	4,947%
Metropolis S.p.A. - Florence	Euro	1.120.000	Immobiliare Milano Assicurazioni S.r.l.	29,73%	4,976%
Penta Domus SpA - Turin	Euro	120.000	Immobiliare Milano Assicurazioni S.r.l.	20,00%	3,347%
Progetto Alfieri S.p.A. - Rome	Euro	120.000	Immobiliare Fondiaria-SAI S.r.l.	19,00%	5,015%
Servizi Immobiliari Martinelli S.p.A. - Cinisello Balsamo (MI)	Euro	100.000	Immobiliare Milano Assicurazioni S.r.l.	20,00%	3,347%
Società Funiche del Piccolo San Bernardo S.p.A. - La Thuile (AO)	Euro	9.213.417,50	Immobiliare Fondiaria-SAI S.r.l.	27,38%	7,227%
Sviluppo Centro Est S.r.l. - Rome	Euro	10.000	Immobiliare Milano Assicurazioni S.r.l.	40,00%	6,694%
Valore Immobiliare S.r.l - Milan	Euro	10.000	Milano Assicurazioni S.p.A.	50,00%	8,365%
Companies valued at book value					
Cono Roma S.r.l. in liquidation - Rome	Euro	10.000	Finadin	50,00%	35,279%
DDOR Garant - Belgrade (Serbia)	RSD	3.309.619	DDOR RE	7,54%	
			DDOR Novi Sad ADO	32,46%	9,330%
Società Finanz. Per Le Gest. Assicurative S.r.l. in liquid. - Rome	Euro	47.664.600	Fondiaria-SAI S.p.A.	14,91%	
			Milano Assicurazioni S.p.A.	7,50%	5,189%
Soaimpianti - Organismi di Attestazione S.p.A. in liquidation - Milan	Euro	84.601	Fondiaria-SAI S.p.A.	21,64%	5,711%
Ufficio Centrale Italiano S.c.a r.l. - Milan	Euro	510.000	Fondiaria-SAI S.p.A.	13,91%	
			Milano Assicurazioni S.p.A.	10,80%	
			Liguria Assicurazioni SpA	0,30%	
			Systema assicurazioni S.p.A	0,0001%	
			Incontra Assicurazioni S.p.A.	0,0023%	5,554%

PART B

INFORMATION ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION – ASSETS

1. INTANGIBLE ASSETS

The breakdown is as follows:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Goodwill	1.400.390	1.422.447	(22.057)
Other intangible assets	44.313	95.157	(50.844)
Total	1.444.703	1.517.604	(72.901)

Goodwill

Goodwill is broken down as follows:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Goodwill deriving from the absorption of La Fondiaria S.p.A.	504.763	504.763	-
Goodwill recognised on the consolidated statements of Milano Assicurazioni S.p.A.	167.379	167.379	-
Other goodwill	530	530	-
Consolidation difference	727.718	749.775	(22.057)
Total	1.400.390	1.422.447	(22.057)

The Group assesses the recoverability of the goodwill allocated to the Cash Generating Units (CGUs) at least once a year or a shorter period more frequently in case events or circumstances indicate the existence of a permanent loss in value. See the financial statements at 31 December 2011 for a description of the methods used to determine the measurement of the recoverable value of the goodwill recorded.

In the first half of 2012, the goodwill allocated to both the Life and Non-Life CGUs of Fondiaria-SAI and Milano Assicurazioni does not show indication of impairment. Note that the impairment test on the abovementioned CGUs was based on their recoverable amount through value in use and not on their fair value, as may be inferred from share price performance.

In the first half of 2012, the factors that were the basis of the impairment tests performed at the end of 2011, i.e. the performance of Non-Life actuarial management, the value of the closed Life portfolio and ordinary financial profitability are basically confirmed during the period. Furthermore, at 31 December 2011 these CGUs already had a recoverable amount in excess of book value: the performance of the abovementioned parameters serving as the basis for the tests performed at 31 December 2011 has not shown signs of impairment during the half-year.

As far as the goodwill allocated to the Popolare Vita, Liguria Assicurazioni and DDOR CGUs, already characterised at 31 December 2011 by a recoverable amount consistent with the carrying amount, it was deemed appropriate to perform the impairment test again based on a more targeted review of the results in light of more recent accounting and operational elements.

The performance of external factors, such as the increase in financial market rates, their more accentuated volatility and the decrease in new Life business could be reflected in the medium term in the recoverability of the said CGUs, the carrying amount of which, we repeat, was already consistent with their recoverable amount.

The impairment tests performed did not show a need, however, for impairment of the goodwill recognised since the range of values obtained, which did not deviate significantly from December, confirms the goodwill as sustainable.

The change in “Consolidation differences” is attributable for Euro 13,433 thousand to the resetting of the goodwill recognised on the subsidiary Incontra Assicurazioni following payment by UniCredit S.p.A. of the indemnity provided for in the agreement for the purchase of the company stipulated in June 2006 for Euro 10,600 thousand, an indemnity which was the basis of the recoverability of the goodwill recognised in the test conducted at the end of the previous financial year.

The change also includes Euro 8,624 thousand related to the appreciation of the Euro against the Serbian Dinar.

In the half-year, there were no impairment indicators leading to a reduction in value of the goodwill recorded at 31 December 2011, having already been subjected to impairment tests pursuant to IAS 36.

Other intangible assets

Other intangible assets amount to Euro 44,313 thousand (Euro 95,157 thousand at 31 December 2011) and are broken down by type as follows:

<i>(values in € thousands)</i>	Gross book value	Amortisation and impairment provision	Net value 30.6.12	Net value 2011
Research and development expenses	200.655	(177.746)	22.909	25.516
Right of use	21.659	(15.351)	6.308	6.515
Other intangible assets	167.157	(152.061)	15.096	63.126
Total	389.471	(345.158)	44.313	95.157

None of the above intangible assets were generated internally.

At 31 December 2011 “Other intangible assets” included Euro 40 million for assets recognised on the financial statements of Atahotels: at 30 June 2012 the assets of the Atahotels Group were recognised under “Discontinued operations”.

The above intangible assets have a definite useful life and are consequently amortised throughout it. Studies and research costs relate to the capitalisation in 2012, and in previous years, of costs incurred to prepare IT technology and long-term applications.

They are amortised over a period of three or five years based on the characteristics and useful life of the assets.

Most of these charges are sustained by the Consortium Fondiaria-SAI Servizi Group, which undertakes all the management of existing resources, assets and services and new acquisitions relating to the operations of the Group.

Other intangible assets mainly include the values of the acquired customer portfolios of some subsidiaries (Value in Force and Voba) recognised at the time of business combination transactions.

Below is the breakdown of the amounts related to customer portfolios acquired:

<i>(values in € thousands)</i>	30.6.12	3.7.05	Change
Liguria Assicurazioni S.p.A.	6.506	10.054	(3.548)
DDOR Novi Sad ADO	3.998	8.115	(4.117)
TOTAL	10.504	18.169	(7.665)

During the period no impairment indicators were identified leading to a permanent reduction in value.

2. PROPERTY AND EQUIPMENT

These total Euro 379,463 thousand (Euro 405,349 thousand at 31 December 2011), down by Euro 25,886 thousand.

Property and equipment are broken down as follows:

<i>(values in € thousands)</i>	Property		Land	Other property, plant and equipment		Total		
	30.6.12	31.12.11	30.6.12	31.12.11	30.6.12	31.12.11	30.6.12	31.12.11
Gross book value	336.426	337.786	23.591	25.832	164.888	213.697	524.905	577.315
Provision for Depreciation and Long-term losses	(46.082)	(44.690)	-	-	(99.360)	(127.276)	(145.442)	(171.966)
Net amount	290.344	293.096	23.591	25.832	65.528	86.421	379.463	405.349

At 31 December 2011 the contribution of the Atahotels Group was as follows:

- Land Euro 2 million;
- Other property and equipment 18 million.

At 30 June 2012 the assets of the Atahotels Group were recognised under “Non-current assets or disposal group classified as held for sale”.

The properties included under property and equipment include those intended for business operations (i.e. direct use properties). These properties were recognised at cost and are depreciated systematically based on their useful life, only for those components subject to such criterion.

The item also includes properties held by the subsidiaries of Immobiliare Fondiaria-SAI (except for the subsidiary Società Edilizia Immobiliare Sarda S.E.I.S.) which are regarded as inventory and are therefore valued pursuant to IAS 2.

In the first half-year of 2012, no situations arose indicating permanent impairment of the property owned.

Except for the Garibaldi Repubblica buildable area owned by the subsidiary Meridiano Secondo, which is mortgaged, the other Group properties falling under this item are not subject to restrictions on ownership, nor have significant amounts been recorded in the income statement for reductions in value, losses or disposal or damage.

“Other property and equipment” mainly include fixed assets used by the Group to carry out its business, such as furnishings and plant and office equipment, as well as the final inventory of companies operating in the agricultural sector, valued in accordance with IAS 2.

3. REINSURANCE ASSETS

These total Euro 759,453 thousand (Euro 701,880 thousand at 31 December 2011), up by Euro 57,573 thousand.

The breakdown of the item is as follows:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Non-Life technical reserves borne by reinsurance	676.274	608.617	67.657
Life technical reserves borne by reinsurance	83.179	93.263	(10.084)
Total	759.453	701.880	57.573

Of this sum, Euro 433 million refers to reinsurance expense (Euro 423 million at 31 December 2011), while Euro 327 million concerns share of retrocessionaire (Euro 279 million at 31 December 2011).

4. INVESTMENTS

The breakdown is as follows:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Investment property	2.466.371	2.776.452	(310.081)
Investments in subsidiaries, associates and joint ventures	107.717	116.795	(9.078)
Investments held to maturity	725.783	599.713	126.070
Loans and receivables	3.873.274	3.688.865	184.409
Available-for-sale financial assets	18.039.791	17.608.557	431.234
Financial assets recognised at fair value through profit and loss	7.141.422	9.026.664	(1.885.242)
Total	32.354.358	33.817.046	(1.462.688)

Investment property

The item includes all the properties held by the Group for rental to third parties or as an investment for capital appreciation over time.

Investment property is recorded at purchase cost in accordance with IAS 16 (to which IAS 40 refers in the case of adoption of the cost model).

The portion of property referring to buildings is depreciated systematically according to the useful life of the components comprising it. Of the significant components, those relating to the plant of the building are depreciated separately.

The breakdown of investment property and changes in it are shown below.

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Gross book value	2.909.947	3.204.995	(295.047)
Provision for Depreciation and Long-term losses	(443.576)	(428.543)	(15.033)
Net amount	2.466.371	2.776.452	(310.080)

The change in "Investment property" is due mainly to the following phenomena:

- following the declaration of insolvency of IMCO S.p.A. and Sinergia HdP S.p.A., the credit positions due to Group companies from the said companies and their subsidiaries for “Assets under construction and advance payments” had to be reversed. At the same time, these positions, amounting to approximately Euro 150 million at 31 December 2011, were recorded under “Other receivables” recording the receivables net of impairment;
- reclassification under “Non-current assets or disposal group classified as held for sale” of the carrying amount of the property located in Turin at Galleria San Federico held by the Tikal property fund following the preliminary sale agreement stipulated by the end of the half-year: at 31 December 2011 such value amounted to Euro 68 million;
- disposal of the property located in Milan at Piazza S. Maria Beltrade held by the subsidiary Milano Assicurazioni.

During the period, rental income from investment property amounted to approximately Euro 54 million (Euro 40 million at 30 June 2011).

There are no significant limits on the sale of the investment property due to legal or contractual restrictions or restrictions of any other nature, with the exception of three buildings belonging to the Tikal fund, the Società Edilizia Immobiliare Sarda S.E.I.S. and Meridiano Secondo S.r.l., which are mortgaged to secure the loans received on them. Added to this is the court-ordered sequestration of the Castello Area in Florence owned by the subsidiary NIT.

During the first half of 2012, impairments on investment property of Euro 2 million were posted. The impairments refer to three properties held by Tikal property fund for which the book value was greater than the market value and which were therefore regarded as showing permanent losses in value.

Investments in subsidiaries, associates and joint ventures

Premafin fully consolidates all Group companies, including those engaged in different activities. The item includes the book value of investments which, are not significant in terms of size and nature of the activities to ensure the accuracy of these interim financial statements.

The “Associates” item, on the other hand, includes entities held by the Group and valued in accordance with the equity method.

The breakdown is as follows:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Subsidiaries	239	1.642	(1.403)
Associates and joint ventures	107.478	115.153	(7.675)
Total	107.717	116.795	(9.078)

For investments in associates, the most significant positions are shown below:

<i>(values in € millions)</i>	30.6.12	31.12.11	Change
Garibaldi S.C.A.	59,5	56,1	3,4
Fin.Priv.	15,8	20,5	(4,7)
Isola S.C.A.	11,3	11,1	0,2
Other	20,9	27,5	(6,6)
Total	107,5	115,2	(7,7)

The changes in value recognised in the income statement for the half-year as a result of the valuation of the investments in associates amount to Euro 7.7 million, and arise mainly from the contribution of the associates Garibaldi S.C.A. and Isola S.C.A.

Investments held to maturity

These total Euro 725,783 thousand (Euro 599,713 thousand at 31 December 2011).

The financial instruments included in this category meet the requirements of paragraph 9 of IAS 39. Therefore, these involve exclusively fixed-maturity debt securities with fixed and determinable payments, which the Group has the intention and the capacity to hold until maturity.

The category only includes financial instruments in the Life segment held for policies with specific provisions as defined by the current sector regulations.

This category only includes listed securities, the current value of which is Euro 759,493 thousand.

Loans and receivables

These totalled Euro 3,873,274 thousand (Euro 3,688,865 thousand at 31 December 2011) and break down as follows:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Receivables with banks for interbank deposits and with bank customers	868.006	665.462	202.543
Debt securities	2.423.883	2.465.849	(41.966)
Loans on life policies	41.181	44.140	(2.959)
Deposits at reinsurers	24.415	24.895	(480)
Receivables with successor agents for indemnities paid to agents terminated	249.899	238.569	11.330
Other loans and receivables	265.891	249.950	15.941
Total	3.873.274	3.688.865	184.409

Receivables from banks for interbank deposits and from bank customers include the receivables of the subsidiary BancaSai from other credit institutions for deposits of Euro 285,887 thousand (Euro 29,147 thousand at 31 December 2011) and receivables from bank customers of Euro 582,118 thousand (Euro 636,315 thousand at 31 December 2011) of which Euro 12.8 million relates to bad debt positions with regard to the bankruptcy of Imco-Sinergia.

Debt securities, with a fair value totalling Euro 2,287 million, include:

- the book value of some issues (in particular ANIA special issues), for which a valuation at amortised cost, rather than at fair value, was deemed appropriate, given the lack of an active reference market. The item refers to financial assets for which it is believed that the related fair value cannot be calculated in a reliable manner;
- some private placements of Italian government bonds, for Euro 1,511 million, which serve the purpose both of ensuring stable returns to the Group, as well as cancelling out the effect of volatility in the valuation of such instruments when subscribed in traditional market contexts. The classification in this category is therefore due to the lack of an active reference market;

- corporate bond issues: these mainly involve financial structures with subordination clauses transferred to this category in 2009. No impairments were recognised on any bond, and the amortised cost effect entailed the recognition of income in the income statement of Euro 6,151 thousand. The negative AFS reserve recognised on these securities at 1 January 2009 amounted to Euro 75,222 thousand, and is amortised according to IAS 39 rules. The residual negative AFS reserve amounts to Euro 49,132 thousand.

Regarding calculation of the classification, see the section relating to accounting standards.

“Other loans and receivables” mainly includes Euro 239.5 million (Euro 221.5 million at 31 December 2011) relating to consumer loans due to the subsidiary Finitalia from customers.

At 31 December 2011 “Other loans and receivables” included Euro 4 million recognised on the financial statements of companies in the Atahotels Group: at 30 June 2012 these assets were recognised under “Non-current assets or disposal group classified as held for sale”.

Financial assets available for sale

Financial assets available for sale include bonds and equities, as well as UCITS units, not otherwise classified.

These financial assets break down as follows:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Equity instruments	1.096.322	1.167.836	(71.514)
Mutual fund units	791.570	801.948	(10.378)
Debt securities	16.149.801	15.636.678	513.123
Other financial investments	2.098	2.095	3
Total	18.039.791	17.608.557	431.234

The equities include listed securities for Euro 832.5 million, while listed debt securities amount to Euro 16,111 million.

The book value of the listed financial instruments is adjusted to the stock exchange price on the last day of the half-year.

We note that the debt and equity securities included in this category are primarily measured at fair value.

Among equity securities, we note the 2% investment held by the Group in Banca d'Italia; the valuation made at the end of 2011 has not changed.

During the half-year, no AFS asset movements were made involving level 3 fair value.

With regard to the reduction in value of the financial assets available for sale recognised in the income statement for the period, the application of the criteria provided for in the Group impairment policy (and amply described in the financial statements at 31 December 2011) led to the recognition of impairment losses of Euro 75.2 million (at 30 June 2011 the amount was Euro 57.4 million). Of this amount, Euro 68.6 million referred to equity securities and Euro 6.6 million to UCITS units.

With regard to the composition of the the unrealised gain or loss on financial assets available for sale (for the Group share and gross of both tax impacts and amounts paid back to Life policyholders under the shadow accounting technique), the gross amount, negative

by Euro 217 million, includes a negative component of Euro 210 million with reference to debt securities, a positive component of Euro 3 million referring to UCITS units and, lastly, a negative component of Euro 10 million (a positive amount of Euro 27 million referred to the investment held in Banca d'Italia) for equity securities.

Measurement of the fair value of financial instruments

Fair value represents the payment for which an asset may be exchanged or a liability settled in an arm's-length transaction between knowledgeable and independent parties, at a certain measurement date; therefore, it is the price that would be paid in an ordinary transaction, or in a transaction involving willing market participants, therefore excluding forced transactions.

Measurement of the fair value of the financial instruments is based on the assumption that the business is a going concern.

The criteria to determine the hierarchy of fair value, based on market parameters, are shown below:

Level 1: Quotations taken from active markets

The valuation is the market price of the financial instrument subject to valuation, taken from quotations on an active market.

Level 2: Valuation methods based on observable market parameters

The valuation of the financial instrument is not based on the market price of the financial instrument subject to valuation, but on prices available from market quotations of similar assets or through valuation techniques for which all the important factors (such as credit and liquidity spreads) are taken from observable market data.

Level 3: Valuation methods based on non-observable market parameters

Measurement of fair value is based on valuation techniques which are mainly based on significant input not available on the market and results, therefore, in estimates and assumptions by management. In the event that fair value cannot be reasonably determined, the financial instrument is valued at cost.

As already mentioned, the Rho property fund has been reclassified under financial assets available for sale in the amount of Euro 96.4 million: the fair value of the fund was determined based on an income financial measurement technique, for which the parameters, in the absence of comparable transactions, are not linked to market criteria. Consequently, this value was classified in level 3 of the fair value hierarchy. In this regard, no other transfers were made during the half-year.

Government bonds issued by Spain, Portugal, Ireland and Italy

The table below provides details on the Fondiaria-SAI Group's exposure to government bonds issued by other peripheral Eurozone countries, which are also recorded as financial assets available for sale. As recently required by the European Securities and Markets Authority (ESMA), the table also includes bonds issued by the Italian government.

1) Financial assets available-for-sale (Fair value) – Euro million

State	Expiry within 12 months	Expiry from 1 to 5 years	Expiry from 6 to 10 years	Expiry beyond 10 years	Total Fair value (level 1)	Reserve AFS (gross)	Reserve (net shadow)
Spain	-	14.8	-	37.0	51.8	(18.1)	(5.8)
Portugal	-	3.5	-	-	3.5	(0.6)	(0.2)
Ireland	-	1.2	19.1	-	20.3	(1.6)	(0.3)
Italy	1,411.2	4,533.4	4,241.2	1,668.5	11,854.3	(959.9)	(369.8)

2) Financial assets available for trading (Fair value) - Euro million

State	Expiry within 12 months	Expiry from 1 to 5 years	Expiry from 6 to 10 years	Expiry beyond 10 years	Total Fair value
Spain	-	-	-	-	-
Portugal	-	-	-	-	-
Ireland	-	0.03	0.54	-	0.57
Italy	-	-	-	8.0	8.0

The table below shows the breakdown of the Fondiaria SAI Group's exposure in Greek government debt securities, now classified in the "held for trading" category.

	Nominal value at 30/06/2012	Fair value at 30/06/2012
Assets held for trading	111.6	8.0
TOTAL	111.6	8.0

The portfolio at 30 June 12 also includes:

- Euro 1,510.9 million of debt securities issued by the Italian government classified under Loans and receivables (of which Euro 277.5 million with maturities of 1 to 5 years, and Euro 1,233.4 million have maturities from 6 to 10 years) with a fair value totalling Euro 1,436.8 million;;
- Euro 79.8 million in debt securities issued by the Italian government classified in the Held to maturity category (of which Euro 18.1 million expiring within a year, Euro 61.6 million with maturities of 1 to 5 years, and Euro 0.1 million with maturities beyond 10 years) with a fair value totalling Euro 78.7 million.

Financial assets at fair value through profit or loss

The breakdown is as follows:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Equity instruments	44.697	30.599	14.098
Mutual fund units	756.993	636.124	120.869
Debt securities	6.144.346	8.072.935	(1.928.589)
Other financial investments	195.386	287.006	(91.620)
Total	7.141.422	9.026.664	(1.885.242)

The component related to financial assets at fair value through profit or loss amounts to Euro 7,040 million (Euro 8,973 million) and includes investments for which the risk is on Life policyholders and which derive from the management of pension funds of Euro 6,956 million (Euro 8,900 million at 31 December 2011).

Note that the fair value of financial instruments traded on regulated markets is determined with reference to the stock exchange prices recorded at the end of the final trading day of the half-year; also note that, if the market price is not available, the reference price is the price available from brokers.

For all financial instruments for which no active reference market exists, the fair value is determined through valuation techniques based on:

- recent transaction prices between independent parties;
- the current market value of a similar instrument;
- the analysis of the discounted cash flows, in which the estimated future cash flows are based on the best estimates of management and the discount rate used is related to the market rate used for similar instruments;
- valuation models of the options.

If the fair value cannot be measured reliably, the financial instruments are measured at cost, regarded as the fair value of the amount paid for the purchase of the investment. In this situation, all the transaction costs strictly attributable to the purchase are included in investment costs.

In measuring fair value, the Group uses market valuations directly obtained from independent sources, if available, as this is normally considered the best evidence of fair value. In this case the fair value is the market price of the same financial instrument subject to valuation, taken from prices on an active market. A market is regarded as active when the prices reflect normal market operations, are regularly and readily available through stock exchanges, listing services and brokers, and represent regular and effective transactions through financial brokers.

The following are usually regarded as active markets:

- regulated securities and derivatives markets, with the exception of the Luxembourg financial market;
- the secondary market of UCITS units, expressed by official NAVs (Net Asset Values) based on which the asset management company issuer must settle the units; this value may be adjusted to take account of the scarce liquidity of the fund, or of the time interval between the date of the repayment request and that of the actual repayment
- organised exchange systems;

- over-the-counter electronic trading circuits (e.g. Bloomberg), in the presence of some qualitative and quantitative parameters (presence of a certain number of contributors, spread between bid and ask prices contained between a determined tolerance threshold).

When a mark to market valuation is not applicable, technical valuations based on observable market parameters must be used, using the following valuation approaches:

- Comparable approach: in this case the fair value of the instrument is taken from the prices observed on recent transactions on similar instruments in active markets;
- Model valuation: in the absence of observable transaction prices, relating to the instrument to be valued or on similar instruments, it is necessary to adopt a valuation model based on market data:
 - debt securities are valued based on discounting expected cash flows, adjusted to take account of the issuer risk and the liquidity risk;
 - derivative contracts are valued through several models, based on the input factors (risk rate, volatility, price risk, exchange risk, etc.) which affect the related valuation;
 - unlisted equities are valued with reference to direct transactions on the same security, or on similar securities observed in a defined period of time from the valuation date, using the market multiples of similar companies and, consequentially, through financial, profitability and asset valuation methods.

5. OTHER RECEIVABLES

The breakdown of the item is as follows:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Receivables from direct insurance operations	1.300.933	1.698.430	(397.497)
Receivables from reinsurance operations	86.751	78.637	8.114
Other receivables	825.235	572.119	253.116
Total	2.212.919	2.349.186	(136.267)

The Group believes that the book value of trade and other receivables approximates their fair value. The trade receivables are non-interest bearing and are generally payable within 90 days.

The breakdown of receivables deriving from direct insurance operations is as follows:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Receivables with policyholders for premiums for the year	555.147	746.052	(190.905)
Receivables with policyholders for prior year premiums	65.127	32.656	32.471
Receivables with insurance brokers	436.358	639.447	(203.089)
Company current account receivables	114.472	132.193	(17.721)
Sums to be recovered from policyholders and third parties	129.829	148.082	(18.253)
Total	1.300.933	1.698.430	(397.497)

The decrease in receivables from policyholders for premiums in the year is due to the breakdown over time of the Group's contracts portfolio, which is less concentrated in the first six months of the year. On the other hand, receivables from policyholders for previous

years mainly include positions yet to be collected, mainly from corporate clients, arising at the end of the past year.

Receivables from reinsurance transactions include Euro 65,585 thousand (Euro 76,714 thousand at 31 December 2011) for receivables from insurance and reinsurance companies for reinsurance operations and Euro 21,165 thousand (Euro 1,923 thousand at 31 December 2011) in respect of reinsurance intermediaries.

The change in “Other receivables” is due for approximately Euro 150 million to the recognition, of the credit positions due to the Group from Imco-Sinergia as already mentioned under “Investment property”.

Other receivables include:

- trade receivables of Euro 119 million mainly comprising receivables from customers;
- receivables from the Italian tax authorities of Euro 128 million mainly for refund requests and VAT credits;
- receivables with the Imco-Sinergia Group, net of the provision for bad debts of Euro 99 million.

With regard to receivables from policyholders for premiums, agents and other intermediaries, as well as insurance and reinsurance companies, the Group does not have significant concentrations of credit risk, as its credit exposure is divided among a large number of counterparties and clients.

At 31 December 2011 “Other receivables” included Euro 22 million recognised on the financial statements of companies in the Atahotels Group: at 30 June 2012 these assets were recognised under “Non-current assets or disposal group classified as held for sale”.

6. OTHER ASSETS

These are broken down as follows:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Non-current assets or disposal group classified as held for sale	189.988	87.151	102.837
Deferred acquisition costs	31.146	30.301	845
Deferred tax assets	887.332	1.155.062	(267.730)
Current tax assets	321.570	316.587	4.983
Other assets	247.477	214.737	32.740
Total	1.677.513	1.803.838	(126.325)

Non-current assets or disposal group classified as held for sale

At 30 June 2012, discontinued assets amounted to Euro 189,988 thousand (Euro 87,151 thousand at 31 December 2011).

The item includes:

- Euro 115.2 million related to assets attributable to the Atahotels Group;
- Euro 69.1 million related to the property located in Turin at Galleria San Federico held by the Tikal RE Fund;
- Euro 3.8 million related to the property located in Grugliasco at Via Grandi 2, held by the subsidiary Auto Presto & Bene;

- Euro 1.9 million related to the investment held in Penta Domus S.p.A.

Insurance deferred acquisition costs

Insurance deferred acquisition costs of Euro 31,146 thousand (Euro 30,301 thousand at 31 December 2011), refer to acquisition commissions to be amortised on Life Division long-term insurance contracts. These amounts were deferred and amortised over approximately six years, related to the traditional sales channel, following the analysis performed on the average duration of the policies in the portfolio, while the average duration for the “bancassurance” channel is three years.

Deferred tax assets

These total Euro 887,332 thousand (Euro 1,155,062 thousand at 31 December 2011) and are calculated on the total amount of the temporary differences between the book value of the assets and liabilities in the financial statements and the respective tax value according to the “balance sheet liability method” as per IAS 12 in relation to the probability of their recovery related to the capacity to continually generate assessable taxable income in the future.

The balances at the end of the period take into account any possible offsetting made by each company of the said tax assets with the corresponding deferred tax liabilities as per IAS 12.

At 31 December 2011 this item included Euro 2 million recognised on the financial statements of companies in the Atahotels Group: at 30 June 2012 these assets were recognised under “Non-current assets or disposal group classified as held for sale”.

Tax receivable assets

The tax receivable assets of Euro 321,570 thousand (Euro 316,587 thousand at 31 December 2011) refer to the financial receivables for advanced payments, withholding and income tax credits, after offsetting, where allowed, with current tax liabilities.

The item also includes the amounts paid in advance pursuant to Article 1, paragraph 2 of Decree Law 209/02, as converted by Article 1 of Law 265/2002, as subsequently amended.

At 31 December 2011 this item included Euro 10 million recognised on the financial statements of companies in the Atahotels Group: at 30 June 2012 these assets were recognised under “Non-current assets or disposal group classified as held for sale”.

Other assets

Other assets amounted to Euro 247,477 thousand (Euro 214,737 thousand at 31 December 2011) and include, *inter alia*, other accrued assets for Euro 4 million, indemnities paid to agents for which the option to claim the reimbursement was not exercised for Euro 12 million and advance payments for guarantee funds in favour of policyholders, with particular reference to the Contribution to the Road Victims Guarantee Fund, for Euro 26 million.

At 31 December 2011 this item included Euro 3 million recognised on the financial statements of companies in the Atahotels Group: at 30 June 2012 these assets were recognised under “Non-current assets or disposal group classified as held for sale”.

The item also includes Euro 20.7 million in suspended costs related to the capital increases of Fondiaria-SAI and Premafin, and the planned merger.

7. CASH AND CASH EQUIVALENTS

These total Euro 981,716 thousand (Euro 1,004,105 thousand at 31 December 2011).

The item includes the liquid assets held by the Group and deposits and bank current accounts with maturity of less than 15 days. They include highly liquid assets in the strictest sense (cash and deposits on demand) and cash equivalents, i.e. short-term financial investments, readily convertible into cash amounts and therefore subject to a very small risk of changes in value.

The book value of these assets closely approximates their fair value. The deposits and bank current accounts are remunerated at fixed or variable interest rates which accrue and are credited on a quarterly basis or in relation to the lower duration of any restrictions on time deposits.

At 31 December 2011 this item included Euro 11 million recognised on the financial statements of companies in the Atahotels Group: at 30 June 2012 these assets have been recognised under “Non-current assets or disposal group classified as held for sale”.

STATEMENT OF FINANCIAL POSITION - SHAREHOLDERS' EQUITY AND LIABILITIES

1. SHAREHOLDERS' EQUITY

The consolidated shareholders' equity of Euro 1,540,272 thousand, including results for the year and non-controlling interests, increased by Euro 265,857 thousand from 31 December 2011.

The changes in the year are shown below:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
SHAREHOLDERS' EQUITY	1.540.272	1.274.415	265.857
SHAREHOLDERS' EQUITY, Group share	(7.575)	(32.065)	24.490
Capital	141.441	410.340	(268.899)
Other capital instruments	-	-	-
Equity reserves	-	21	(21)
Retained earnings and other equity reserves	(1.658)	664	(2.322)
Treasury shares	(43.183)	(43.183)	-
Reserve for net foreign exchange differentials	(18.603)	(14.985)	(3.618)
Profit or loss on financial assets available-for-sale	(72.359)	(127.658)	55.299
Other profits or losses recognised under equity	2.968	6.332	(3.364)
Profit (loss) for the period, Group share	(16.181)	(263.596)	247.415
SHAREHOLDERS' EQUITY, Minority interests	1.547.847	1.306.480	241.367
Capital and reserves, minority interests	1.906.998	2.680.192	(773.194)
Profit and loss recognised directly under equity	(382.323)	(600.208)	217.885
Profit (loss) for the year, minority interests	23.172	(773.504)	796.676

Changes in consolidated shareholders' equity are shown in the relevant table, to which the reader is referred.

On 28 June 2012, following the resolution of the Shareholders' Meeting held on 12 June 2012 pursuant to Art. 2446 of the Italian Civil Code, the change in share capital was filed with the register of companies. The share capital at 30 June 2012 stands at Euro 141,441,055, fully paid up, and consists of 410,340,220 shares without par value.

The new composition of the share capital (fully subscribed and paid), following the implementation on 19 July 2012 of the share capital increase resolved by the Extraordinary Shareholders' Meeting of the Company held on 12 June 2012, reserved for Unipol Gruppo Finanziario S.p.A., which subscribed and paid in 1,741,239,877 ordinary shares of Premafin HP S.p.A. at a price of Euro 0.195 per share, for a total equivalent of Euro 339,541,776.02, is now as follows:

- Share Capital Euro 480,982,831.02, of which:
 - Listed ordinary shares 141,441,055
 - Unlisted ordinary shares 339,541,776.02.

Nature and purpose of the other reserves

Retained earnings and other equity reserves include the other equity reserves on the Parent Company's separate financial statements, minus the previous-year losses carried forward. Shareholders' equity pertaining to non-controlling interests, including the result, shows an increase of Euro 244 million.

Changes in consolidated shareholders' equity are shown in the relevant table, to which the reader is referred.

Treasury shares

These amounted to Euro 43 million (Euro 43 million at 31 December 2011) and comprised 27,564,325 shares. The item includes the book value of the equity instruments of the Parent Company Premafin S.p.A. held by other Group companies; specifically 18,340,027 shares by Fondiaria-SAI S.p.A. and 9,157,710 by Milano Assicurazioni S.p.A. and 66,588 shares by SAIFIN.

The item is in negative territory as per IAS 32.

Reserve for currency translation difference

This item, which is negative by Euro 18,603 thousand (Euro 14,985 thousand at 31 December 2011), includes the conversion differences from currency translation of the financial statements of some foreign subsidiaries resident in countries outside the Eurozone.

Unrealized gain or loss on financial assets available-for-sale

This item, which is negative by Euro 72,359 thousand (Euro 127,658 thousand at 31 December 2011), includes gains and losses from the valuation of financial assets available-for-sale. This is shown net of the related deferred tax liability, both for the part attributable to policyholders and allocated to insurance liabilities.

In particular, the item includes Euro 217 million, negative, for financial instruments available for sale in the portfolio and Euro 104 million, positive, due to the application of the shadow accounting technique. Added to this is Euro 41 million, positive, due to the tax impacts of the above two matters outlined above.

Other unrealized gains and losses through equity

This item, amounting to Euro 2,968 thousand (Euro 6,332 thousand at 31 December 2011) includes the reversal of the capital gains made on investments in subsidiaries of Euro 54 million. In fact, transactions involving shares of subsidiaries which do not result in loss or acquisition of control do not impact consolidated earnings, since they are treated as simple changes to the ownership structure of the Group. The results obtained by the separated managements of the Life classes are the sole exception to this.

Also included are losses on cash flow hedging instruments of Euro 42 million (net of tax impacts), while the remainder refers mainly to the actuarial profit or loss recorded directly in equity as per IAS 19.

2. PROVISIONS FOR RISKS AND CHARGES

These are broken down into:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Provisions for tax aspects	162	160	2
Other provisions	317.107	336.962	(19.855)
Total	317.269	337.122	(19.853)

Other provisions include amounts for which uncertainty exists as to the payment date or the amount of future expenses required to comply with the obligation.

As a result of the declaration of insolvency of Sinergia and Im.Co and in view of the risk of the invalidation of the guarantees issued by Im.Co and its subsidiaries for any charge/liability resulting from the undertaking for selling to third parties the areas located in the Municipality of Milan, Premafin allocated to the provision for risks during the half-year the amount of Euro 4.5 million, which is in addition to the 2.5 million previously set aside.

Except as stated previously, the provision made at 31 December 2011 for the main litigation to which the Group is a party did not undergo significant changes since no situations arose during the half-year to justify significant assessments or releases of existing provisions, which are deemed to be adequate.

The decrease in the provisions for risks and charges set aside is a result of the operational regular release of the management events illustrated below.

At 31 December 2011 "Other provisions" included Euro 4 million recognised on the financial statements of companies in the Atahotels Group: at 30 June 2012 these liabilities were recognised under "Liabilities directly associated with non-current assets or disposal groups available classified as held for sale".

Castello Area

In relation to the criminal proceeding pending before the Court of Florence also involving Fondiaria-SAI for offences under Articles 319 and 320 as referred to in Articles 5 and 25 of Legislative Decree 231/2001 in relation to land-use planning in the Castello area in the Municipality of Florence, the evidentiary hearings phase has ended and the final pleadings phase has begun.

The two public prosecutors who brought the indictment to trial have made their closing arguments and respective motions at the hearings on this past 26 and 28 March. For the charges involving the Company, it was requested that the Company be ordered with a pecuniary penalty equal to 400 units, the amount of which ranges from a minimum of approximately Euro 250 to a maximum of 1,549. Accessory penalties have also been requested against the Company with a two-year prohibition on entering into government contracts and the seizure of the lots in the Castello Area for which building permits were issued.

The public prosecutors have also requested that the sequestration of the entire area be maintained.

As far as representatives of the Company or of Group companies, convictions were requested for 3 years and six months against Engineer Ligresti, 4 years and four months for Attorney Rapisarda, and 3 years for Engineer Giombini, while convictions of imprisonment were requested of 4 years and six months for the former Town Planning official of the Municipality of Florence Gianni Biagi and 2 years and two months for the Deputy Mayor of the Municipality of Florence Graziano Cioni.

The final pleadings continued with the closing arguments of the attorneys for the civil parties and for the defendants.

As far as the Company's defence, acquittal was requested since no offence was committed and, as a subsidiary argument, conviction solely to the pecuniary penalty and not also to the prohibition penalty, in that the Company has adopted an organisation and management model suitable, among other things, for preventing the perpetration of precisely the offences against the government with which it was charged.. The Court of Florence, at the session on 29 June 2012, did not hand down judgment but ordered additional evidentiary hearings pursuant to Art. 507 of the Code of Criminal Procedure in order to rehear some witnesses already examined at trial.

For these reasons, the proceeding was continued until the hearings of 4 and 12 October and 9 November 2012.

The consolidated value of the inventory relating to the Castello Area on 30 June 2012 amounts to Euro 169 million, as per the appraisal values stated by the independent expert.

This amount is fair in the event that a construction permit is granted, and therefore also in the event of the continuing operation of the asset, and does not reflect the risks associated with any loss of a legal action.

Risks associated with the potential withdrawal of Premafin shareholders in the case of a merger with Fondiaria-SAI

With reference to the Investment Agreement signed by Premafin with UGF aimed, *inter alia*, at launching a transaction designed to create an integration project to be implemented through the merger by incorporation into Fondiaria-SAI of Premafin, Milano Assicurazioni S.p.A. and Unipol Assicurazioni S.p.A. (the "Merger"), and taking into account the provisions of CONSOB communication no. 12042821 of 22 May 2012, on 25 June 2012, UGF and Premafin agreed to limit the right of withdrawal in the context of the Merger, so that this right of withdrawal is not available to the Premafin reference shareholders, without prejudice to any future evaluation on the subject of the exclusion of the right of withdrawal for all Premafin shareholders under the scope of the Merger.

In a situation in which the Premafin reference shareholders, where UGF and Premafin had agreed that the right of withdrawal did not apply, did not intend to accept this exclusion, they could try and act pursuant to Articles 2437-*bis* et seq., of the Italian Civil Code.

If the Premafin shareholders who have not contributed to the Merger resolution have the right of withdrawal pursuant to Article 2437, paragraph 1, letter a) of the Italian Civil Code, then the settlement value of the shares for which the right of withdrawal was exercised will be determined in compliance with the provisions of Article 2437-*ter* of the Italian Civil Code, referring exclusively to the arithmetic mean of the closing prices of Premafin shares in the six months prior to the publication of the notification for calling the Shareholders' Meeting where the legitimisation of the withdrawal was resolved.

Premafin shareholders will be notified of this amount by it being made available, under the terms of the law, pursuant to Article 2437-*ter*, paragraph 5, of the Italian Civil Code. The market will also be notified through an announcement according to the terms indicated in the regulations in force. If the Premafin shareholders who have not contributed to the Merger resolution have the right of withdrawal, if Premafin itself were called upon to repay the shares subject to withdrawal, pursuant to Article 2437-*quarter*, paragraph five, of the Italian Civil Code, in the light of the settlement value which will be determined and the amount of any withdrawals possibly exercised there could be effects on the Premafin economic situation and equity position.

As things stand, the Company believes that it is not necessary to record any provisions in the consolidated half-year financial statements at 30 June 2012 to deal with the potential risk resulting from the possible exercising of withdrawal rights. At least for the reasons listed below:

- in any case because this hypothetical right is not yet vested;
- because, even in the eventuality, during the Merger, of this right not coming into existence, there is the prospect of a protracted dispute with the result being unpredictable;
- because of the position adopted by UGF and Premafin, following instructions of the Supervisory Authority.

3. INSURANCE CONTRACT LIABILITIES

These total Euro 33,535,319 thousand and show a change of Euro 1,572,186 thousand from 31 December 2011.

The breakdown of the insurance contract liabilities is as follows:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Non-Life technical reserves	12.328.376	12.610.322	(281.946)
Life technical reserves	14.859.379	14.830.838	28.541
Technical reserves when the investment risk is borne by the policyholders and derives from the management of pension funds	6.347.564	7.666.345	(1.318.781)
TOTAL TECHNICAL RESERVES	33.535.319	35.107.505	(1.572.185)

The Non-Life insurance contract liabilities include the premium provision of Euro 2,647 million (Euro 2,742 million at 31 December 2011) and the claims provision of Euro 9,672 million (Euro 9,858 million at 31 December 2011).

The Life insurance contract liabilities include actuarial provision of Euro 14,904 million and the pay-out provision of Euro 464 million. They are also reduced by deferred liabilities calculated on insurance liabilities relating to discretionary participation features: The provision is negative by Euro 581 million (negative by Euro 772 million at 31 December 2011).

In calculating this reserve, note that for segregated funds the benchmark yield is in any case greater than the guaranteed minimums.

4. FINANCIAL LIABILITIES

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Financial liabilities at fair value recognised on the income statement	760.624	1.349.506	(588.882)
Other financial liabilities	2.160.369	2.178.165	(17.796)
Total	2.920.993	3.527.671	(606.678)

Financial liabilities at fair value through profit or loss comprise:

Financial liabilities held-for-trading

These total Euro 54,041 thousand (Euro 53,474 thousand at 31 December 2011).

Of these, approximately Euro 42.3 million (Euro 43.4 million at 31 December 2011) refer to the equity swap stipulated on Fondiaria-SAI shares.

On 19 July 2012 Premafin unwound the equity swap by withdrawing 34,736 ordinary shares of Fondiaria-SAI post-combination, assuming the respective debt in the amount of approximately Euro 45.5 million.

Financial liabilities at fair value through profit and loss

These total Euro 706,583 thousand (Euro 1,296,032 thousand at 31 December 2011). In accordance with IAS 39, the item includes investment contracts outside the scope of IFRS 4 and, therefore, booked using the deposit accounting method. The overall amount recognised is Euro 613,979 thousand (Euro 1,239,609 thousand at 31 December 2011).

Other financial liabilities

This item amounted to Euro 2,160,369 thousand (Euro 2,178,165 thousand at 31 December 2011).

This item includes the financial liabilities defined and governed by IAS 39 not included in the category "Financial liabilities at fair value through profit or loss".

These include security deposits to guarantee risks ceded to reinsurers of Euro 170,217 thousand (Euro 171,542 thousand at 31 December 2011) and subordinate liabilities of Euro 1,050,006 thousand (Euro 1,049,467 thousand at 31 December 2011).

Pursuant to Consob Resolution DEM/6064293 of 28 July 2006, note that the subordinated and/or hybrid debts include covenants safeguarding lenders' rights and interests.

Covenants, negative pledges and other clauses of the Company's debt and that of the Group to which it pertains

The previous loan agreement mainly includes the following covenants:

- a ratio of net financial debt to statutory shareholders' equity that is no higher than 1.10;
- early repayment if the consolidated solvency margin goes below 100% for two consecutive years starting in 2011, unless it is rectified as a result of operations begun by the end of the year in which the margin falls below 100% but completed six months after year-end;
- the commitment not to take on any new financial debt, except for hedging purposes;
- the commitment not to undertake any intra-group loans and other treasury operations for a maximum amount of more than Euro 15 million;
- that parties to the shareholders' agreement must maintain an investment of no less than 30% of the voting capital of Premafin, and that Premafin must maintain an investment of no less than 30% of the voting capital of Fondiaria-SAI.

The ratio between net financial debt and statutory shareholders' equity, verified according to the 2011 financial statements, approved on 12 June 2012, was higher than the level of 1.10, but, pursuant to the above-mentioned restructuring Agreement signed with the lending banks on 13 June 2012, the financial creditors are committed and have agreed to suspend exercising any legal or contractual remedy that they have a right to do.

In effect, through the signing of the Agreement, until "Phase 1" comes into force, the Lending Banks have granted Premafin a "standstill", in other words the suspension of exercising any legal or contractual remedy they have a right to do pursuant to the Contract and the Equity Swap with regard to Premafin, to safeguard their credit, with special reference to important events already known, in other words which were to be verified through the implementation of the Restructuring Plan and the prospective Merger.

When Phase 1 comes into force and when the Pre-Integration Modified Loan Agreement becomes fully effective, Premafin, with effect from the availability of the financial statement data at 31 December 2012, is committed to the following until the debt exposure is fully repaid:

- to maintain the ratio between Net Financial Debt, minus the permitted intra-group loans, and Shareholders' Equity of the beneficiary calculated using the statutory figures, below 1:20 with a permitted negative difference of 10%;

- to ensure that compliance with the Financial Ratio is regularly checked in the certified annual financial statements of the Beneficiary, as well as based on specific half-yearly accounting figures made available, ad hoc, by the Beneficiary

providing the Agent Bank with a dedicated written declaration, signed by an authorised representative, attesting that the Financial Ratio has been complied with within 1 Working Day, respectively, of the approval (by the Shareholders' Meeting) of the financial statements or the disclosure to the market of the Beneficiary's consolidated half-year report.

With reference to the existing agreement, the forecasts regarding the possible reduction of the consolidated solvency margin and the prohibition to take on further debt remain essentially unchanged. The possibility has been introduced, for UGF, to make intra-group loans and/or treasury transactions with regard to Premafin, in certain conditions.

More specifically, with regard to intra-group transactions involving Premafin and its subsidiaries, a total limit of Euro 2,500,000 has been introduced.

With regard to negative pledges, when the Pre-Integration Modified Loan Agreement came into force, Premafin committed, and will do so for as long as Finadin and the major subsidiaries also commit to:

(a) not grant pledges, mortgages or guarantees of any kind (with the exception of the Fondiaria-Sai pledge and the VAT sureties) or transfers of credit or establish constraints or grant voluntary liens on their assets, fixed or intangible, or on current or future receivables in favour of other creditors other than the Financial Creditors with the exception of liens and other compulsory guarantees pursuant to the law as well as with the exception of (i) the subject of existing contractual obligations and actual guarantees already established by Premafin and/or Finadin and/or major subsidiaries and under the terms and conditions set out, from time to time and (ii) the ordinary assets of Premafin and Finadin at a limit of Euro 5,000,000.00;

(b) not establish intended assets pursuant to Article 2447 *bis* of the Italian Civil Code.

The above prohibition will not include the establishment of actual guarantees subject to the existing pledge on Fondiaria Sai shares, which were granted with the aim of allowing the full and simultaneous repayment of the debt exposure.

For the sake of completeness, note that the existing loan agreement makes provision for the obligation of the early repayment of the loan in certain cases where significant investment changes occur, as well as the commitment pertaining to Premafin to maintain an investment of at least 30% of the voting capital of Fondiaria-SAI, except for the cancellation of the actual investment as a result of the prospective merger.

At the time of writing, no cases have been verified of failure to comply with these covenants, negative pledges or other clauses relating to the Company's debt or to the Group to which it pertains.

Restructuring Plan progress update

On 19 July 2012, in execution of the investment agreement of 29 January 2012, stipulated with Unipol Gruppo Finanziario S.p.A ("UGF"), UGF executed the Premafin capital increase approved by the Extraordinary Shareholders' Meeting held on 12 June 2012, becoming the controlling shareholder of Premafin with an investment of approximately 81% of the entire share capital. The financial resources generated by the Premafin capital increase, equal to Euro 339.5 million, were entirely used by Premafin, and its subsidiary Finadin S.p.A. – Finanziaria di Investimenti ("Finadin") for the immediate subscription of their shares of the Fondiaria-SAI capital increase, more specifically for:

(i) the subscription by Premafin of 292,488,840 Fondiaria-SAI ("Fonsai") new ordinary shares exercising the option right on FonSAI shares directly owned;

(ii) the subscription, also by Premafin, of 8,753,472 FonSAI new ordinary shares, exercising the option right on shares from the agreed termination of equity swap agreement with Unicredit (which took place on 16 July 2012);

(iii) the subscription by Finadin, using the interest-bearing finance provided by Premafin, of 38,299,464 FonSAI ordinary shares exercising the option right on FonSAI shares owned by Finadin.

Essentially, following the execution of the Premafin capital increase, Phase 1 of the restructuring agreement involving the financial liabilities of Premafin, agreed on 13 June 2012, with the pool of lending banks (“Restructuring Agreement”) came into force, and specially:

(i) the Pre-Integration Modified Loan Agreement, which restructures the debt from the loan agreement originally signed on 22 December 2004, and increased, modified and extended several times, as well as the deferred payment of the debt from the expected termination of the Equity Swap, for a sum of approximately Euro 368 million plus interest accrued from the last payment, postponing, *inter alia*, the deadline of 31 December 2020 (except for the entry into force of the Post-Integration Modified Loan Agreement and the GE Capital Agreement, as defined in the Restructuring Agreement). The Company’s gross financial debt therefore stands at Euro 375.1 million;

(ii) the New Confirmation Act for the crystallised pledge on 1,160,670 FonSAI ordinary shares (116,067,007 before the consolidation which took place on 2 July 2012), a pledge which sees the end of the previous integration or reduction mechanism and which does not extend to any other FonSAI shares owned by Premafin which come, *inter alia*, from the Fondiaria-SAI capital increase approved on 19 March 2012 and confirmed by the Shareholders’ Meeting on 27 June 2012;

(iii) the full effectiveness of the agreements modifying the loan agreements of the subsidiary Finadin, respectively with Banca Popolare di Milano Soc, Coop a.r.l. (“BPM”) for an amount of approximately Euro 12.6 million and with Banco Popolare Soc. Coop. (“BP”) for an amount of approximately Euro 12.7 million, both due on 31 December 2013, in relation to which there is the existing pledge on 6,572,700 Fondiaria-SAI pre-consolidation shares in favour of BPM and 6,212,000 Fondiaria-SAI pre-consolidation shares in favour of BP. As far as the pledge in favour of the two lending banks involving the Fondiaria-SAI ordinary shares held by Finadin is concerned, there are plans to suspend the periodic verification mechanism of the value to loan for these shares, with the consequent inapplicability of the forecasts regarding the possible integration/partial release of the guarantees. There are no plans, on the other hand, to extend the pledge to shares issued in the future under the scope of the Fondiaria-SAI capital increase. A cash sweep mechanism has also been introduced which includes the compulsory early pro-rata repayment of the two exposures in relation to:

- collection of payment made in cash by SAIFIN – Siafinanziaria S.p.A. in relation to the approved Finadin capital increase;
- collection of any future dividends by Fondiaria-SAI;
- collection of income from the subsidiary Scontofin S.A., with a maximum limit of Euro 1 million.

At the time of writing, the Restructuring Plan approved by the Company on 30 March 2012, as modified and integrated by the addendum approved on 17 May 2012, continues along the planned route.

With regard to the subordinated loan agreement of Euro 300 million of 22 June 2006 (half subscribed by Fondiaria-SAI S.p.A. and half by Milano Assicurazioni S.p.A.), Article 6.2.1 letter (e) stipulates, as a general obligation, permanent control of the Parent Company (pursuant to Article 2359, paragraph 1, no. 1, of the Italian Civil Code) and that the activity of managing and coordinating Milano Assicurazioni S.p.A. should be under Fondiaria-SAI S.p.A.

With reference to the hybrid loan agreement of Euro 350 million of 14 July 2008, the option for conversion into shares of Fondiaria-SAI (or of the subsidiary Milano Assicurazioni for the part issued by them amounting to Euro 100 million) is subject not only to any capital increase resolution by an extraordinary shareholders' meeting of Fondiaria-SAI to service the conversion under the conditions indicated contractually, but also to the simultaneous occurrence (for a consecutive three-year period) of the following conditions:

- (i) the downgrading of the rating by Standard & Poor's (or another agency to which Fondiaria-SAI has voluntarily subjected itself, being no longer subject to a rating by Standard & Poor's) of the beneficiary companies to "BBB-" or lower;
- (ii) the reduction of the solvency margin of the beneficiary companies, as defined by Article 44 of the Italian Insurance Code, to a level lower than or equal to 120% of the required solvency margin as defined by Article 1, paragraph hh), of the Insurance Code,

provided that (a) the situation caused as a result of the abovementioned events is not remedied, for both events, within the two financial years immediately thereafter, or (b) the solvency margin is not increased in the two financial years immediately thereafter to at least 130% of the required solvency margin, with the possibility accordingly for Fondiaria-SAI and Milano Assicurazioni, within the time frame of another two years, to take measures aimed at enabling a return to the required parameters.

Moreover, there are no clauses in the Group loan agreements (other than those indicated above) that entail restrictions on the use of significant financial resources for the activities of the issuer.

In consideration of the recent outcome of the share capital increase, already amply described previously, this information is disclosed even though there are no situations of failure to observe the said clauses, with the result that the events provided for contractually to safeguard investors are hardly likely to occur.

Finally, the characteristic element of the subordinated and/or hybrid loans in question is, generally speaking, not only that they are to be repaid before the payment of any other debts owed by the borrower company on the settlement date, but also due to the need, as per the regulations in force, to obtain prior authorisation for repayment from ISVAP.

With reference to due to banks and other lenders, totalling Euro 943.4 million (Euro 957 million at 31 December 2011), shown below are the most significant amounts, already discussed in the interim directors' report:

- Euro 326.1 million related to the pool loan granted to the Parent Company Premafin subject, in accordance with the Reorganisation Plan pursuant to Article 67 of the Bankruptcy Law, to a restructuring agreement. For further details, see "Other information and significant events after the end of the half-year";

- Euro 111.2 million refers to the loan entered into by the closed-end Tikal R.E. fund, with Mediobanca as agent bank;
- Euro 90.5 million refers to bonds issued during 2009 and 2010 by BancaSai;
- Euro 65.7 million is for the debt of subsidiary Immobiliare Fondiaria-SAI;
- Euro 25.3 million is for loans of the subsidiary Finadin subject to a renegotiation agreement. For further details, see “Other information and significant events after the end of the half-year”;

The item also includes deposits made by customers at the subsidiary BancaSai of Euro 203 million (Euro 228 million at 31 December 2011).

At 31 December 2011 “Other financial liabilities” included Euro 6 million recognised on the financial statements of the Atahotels Group: at 30 June 2012 these liabilities were recognised under “Liabilities directly associated with non-current assets or disposal groups available classified as held for sale”.

5. PAYABLES

These total Euro 845,147 thousand and break down as follows:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Payables from direct insurance operations	94.414	78.999	15.415
Payables from reinsurance operations	87.793	84.912	2.881
Other payables	662.940	632.040	30.900
Total	845.147	795.951	49.196

Payables deriving from direct insurance operations comprise:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Payables with insurance brokers	72.983	60.252	12.731
Current account payables with insurance companies	13.802	10.590	3.212
Payables for policyholder security deposits	1.692	118	1.574
Payables for insurance funds in favour of policyholders	5.937	8.039	(2.102)
Total	94.414	78.999	15.415

Payables from reinsurance operations refer to reinsurance companies for Euro 69,254 thousand (Euro 62,733 thousand at 31 December 2011) and Euro 18,539 thousand to reinsurance intermediaries (Euro 22,179 thousand at 31 December 2010).

The breakdown of the “Other payables” item is shown below:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Trade payables	231.936	280.435	(48.499)
Severance indemnities	60.718	65.580	(4.862)
Payables for taxes assumed by policyholders	68.465	97.271	(28.806)
Payables for miscellaneous tax charges	86.781	133.470	(46.689)
Payables to social security and pension entities	17.483	23.417	(5.934)
Other payables	197.557	31.867	165.690
Total	662.940	632.040	30.900

At 31 December 2011 the following items listed below showed amounts recognised on the financial statements of companies in the Atahotels Group (at 30 June 2012 these liabilities were recognised under “Liabilities directly associated with non-current assets or disposal groups available classified as held for sale”): Trade payables, Euro 52 million; Employee

leaving indemnity, Euro 4 million; Social security, Euro 2 million; Other payables, Euro 5 million.

Employee leaving indemnity and other employee benefits

The statistical and actuarial assumptions used for estimating the employee leaving indemnity as per IAS 19 are not substantially different from those used in preparing the consolidated financial statements for the year ended December 31, 2011.

The changes during the period are shown below:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Inventory at the start of the period	65.580	78.130	(12.550)
Interest cost provision on Income Statement	389	1.493	(1.104)
Service cost provision on Income Statement	44	93	(49)
Actuarial gains/losses	6.986	(1.386)	8.372
Draws	(5.083)	(13.716)	8.633
Other changes discontinued operations	(2.598)	966	(3.564)
Discontinued operations	(4.600)	-	(4.600)
Inventory at period end	60.718	65.580	(4.862)

Health insurance post service

The main statistical and actuarial assumptions used for estimating health insurance post service as per IAS 19 are not substantially different from those used in preparing the consolidated financial statements for the year ended December 31, 2011.

Therefore, see the 2011 consolidated financial statements to identify the benchmark numerical assumptions.

At 30 June 2012 the liability for health coverage for retired executives amounted to Euro 20,449 thousand (Euro 23,131 thousand at 31 December 2011).

6. OTHER LIABILITIES

The breakdown is as follows:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Liabilities of disposal group held for sale	103.940	-	103.940
Current tax liabilities	51.926	18.147	33.779
Deferred tax liabilities	121.425	133.452	(12.027)
Other liabilities	373.834	404.745	(30.911)
Total	651.125	556.344	94.781

Liabilities directly associated with non-current assets or disposal group classified as held for sale

The item includes the liabilities held by the Atahotels Group.

Deferred tax liabilities

Deferred tax liabilities, amounting to Euro 121,425 thousand, include the tax impact of any temporary differences, related to statement of financial position or income statement items, which will be reversed in future periods.

Where permitted the balance is presented net of compensation, with the corresponding deferred tax assets in accordance with IAS 12.

At 31 December 2011 “Deferred tax liabilities” included Euro 5 million recognised on the financial statements of companies in the Atahotels Group: at 30 June 2012 these liabilities were recognised under “Liabilities directly associated with non-current assets or disposal groups available classified as held for sale”.

Tax payables

This item amounted to Euro 51,926 thousand (Euro 18,147 thousand at 31 December 2011) and refers to the overall income tax accrued by the Group at the end of the period net of current tax assets, where offsettable, as per IAS 12.

Income tax is calculated by applying the theoretical tax rates in force at year-end to the taxable income.

At 31 December 2011 “Tax payables” included Euro 1 million recognised on the financial statements of companies in the Atahotels Group: at 30 June 2012 these liabilities were recognised under “Liabilities directly associated with non-current assets or disposal groups available classified as held for sale”.

Other liabilities

These total Euro 373,834 thousand (Euro 404,745 thousand at 31 December 2011) and break down as follows:

<i>(values in € thousands)</i>	30.6.12	31.12.11	Change
Commissions on premiums being collected	87.570	109.753	(22.183)
Deferred commission assets for investment management services for life policyholders	98	1.604	(1.506)
Claims cheques issued and life insurance sum collected by beneficiaries after period-end	33.935	40.390	(6.455)
Transitory reinsurance accounts	-	3.850	(3.850)
Other liabilities	252.231	249.148	3.082
Total	373.834	404.745	(30.912)

PART C

INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

NET PREMIUMS

Consolidated net premiums totalled Euro 4,925,687 thousand (Euro 6,035,870 thousand at 30 June 2011).

The Group's gross premiums amounted to Euro 4,993,755 thousand, down 16.54% compared with the first quarter of 2011, and break down as follows:

<i>(values in € thousands)</i>	30.6.12	30.6.11	Change	31.12.11
Life gross premiums	1.590.875	2.560.277	(969.402)	3.753.573
Non-Life gross premiums	3.402.880	3.656.489	(253.609)	7.059.924
Change in gross amount of premiums reserves	(93.467)	28.363	(121.830)	(36.761)
Non-Life total	3.496.347	3.628.126	(131.779)	7.096.685
Accrued gross premiums	5.087.222	6.188.403	(1.101.181)	10.850.258

The item "Gross premiums written" does not include the cancellation of securities issued in previous years, which were recorded under the item "Other expenses". The above amounts are shown net of inter-group reinsurance.

Premiums ceded, totalling Euro 151,509 thousand, accounted for 3.0% of total premiums issued (2.5% at 30 June 2011).

<i>(values in € thousands)</i>	30.6.12	30.6.11	Change	31.12.11
Life division	4.969	11.032	(6.063)	18.285
Non-Life division	146.540	144.084	2.456	311.829
Change in premiums reserves borne by reinsurers	10.026	(2.583)	12.609	(7.200)
Non-Life total	156.566	141.501	15.065	304.629
Accrued premiums ceded under reinsurance	161.535	152.533	9.002	322.914

The Group's reinsurance policy had a negative effect on the consolidated financial statements of Euro 30,714 thousand (Euro 33,683 thousand in the Non-Life classes).

In accordance with IFRS 4.37, b), ii), note that the Group does not defer and amortise profit or loss deriving from reinsurance transactions.

FEE AND COMMISSION INCOME

Commission income at 30 June 2012 amounted to Euro 4,987 thousand, with a change compared with first half of 2011 of Euro -8,758 thousand.

The item includes both explicit and implicit loading relating to investment contracts issued by the Group companies and, as such, outside the scope of IFRS 4, as well as commissions for the management of internal funds.

Specifically, Euro 2 million refers to the subsidiary Popolare Vita. (Euro 5 million at 30 June 2011).

It also includes approximately Euro 3 million of commission income accrued by the companies operating in fund management and consumer credit (Euro 8 million at 30 June 2011).

INCOME AND CHARGES FROM FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

This item amounted to Euro 326,047 thousand, compared to Euro 74,954 thousand at 30 June 2011.

The table shows the individual components:

<i>(values in € thousands)</i>	Interest	Other net income	Profits made	Losses made	Appreciation and write-backs	Appreciation and write-downs	Total 30.6.12	Total 30.6.11	Change	Total 31.12.11
<i>Profit or loss on investments deriving from:</i>										
- Financial assets held for trading	1.088	(11)	1.907	(1.152)	18.927	(3.545)	17.194	17.715	(521)	3.103
- Financial assets at fair value recognised on the Income Statement	67.368	64.401	142.566	(17.559)	116.728	(49.149)	324.355	83.207	241.148	321.281
- Financial liabilities held for trading	-	-	-	-	1.832	(17.334)	(15.502)	(25.988)	10.466	(20.341)
Total	68.436	64.390	144.473	(18.711)	137.487	(70.028)	326.047	74.954	251.093	304.043

The investment result on financial assets at fair value through profit or loss includes Euro 308,077 thousand (Euro 99,830 thousand at 30 June 2011) relating to the results of investments for which the risk is on policyholders. The net income is inversely counterbalanced by a similar decrease in commitments to policyholders.

INCOME AND EXPENSES FROM INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, FROM OTHER FINANCIAL INSTRUMENTS AND INVESTMENT PROPERTIES

<i>(values in € thousands)</i>	Net interest	Other income	Profits made	Losses made	Appreciation and write-backs	Appreciation and write-downs	Total 30.6.12	Total 30.6.11	Change	Total 31.12.11
<i>Profit or loss deriving from:</i>										
- Investment property	-	25.104	17.931	(35)	-	(37.473)	5.527	(28.677)	34.204	(252.042)
- Investments in subsidiaries, associates and joint ventures	-	(7.545)	-	-	-	-	(7.545)	14.760	(22.305)	(5.243)
- Investments held to maturity	18.108	51	824	-	-	-	18.983	723	18.260	770
- Loans and receivables	86.635	24	326	(3.381)	6.754	(1.364)	88.994	75.162	13.832	142.034
- Financial assets available-for-sale	292.415	33.534	110.465	(42.210)	0	(75.171)	319.033	338.563	(19.530)	388.721
- Miscellaneous receivables	3.472	(15)	-	-	-	-	3.457	3.171	286	13.804
- Cash and cash equivalents	7.180	(258)	-	-	-	-	6.922	5.084	1.838	12.326
- Other Financial liabilities and miscellaneous payables	(36.801)	(193)	46	-	-	-	(36.948)	(51.177)	14.229	(91.010)
Total	371.009	50.702	129.592	(45.626)	6.754	(114.008)	398.423	357.609	40.814	209.360

The realised profit and loss columns show the economic effects of the sale of various financial instruments.

The valuation losses and adjustment in value on investment property include the depreciation recorded during the period for Euro 35 million (Euro 36 million at 30 June 2011) and write-downs on property, for which the market value is lower than the book value, of Euro 2 million (Euro 12 million at 30 June 2011) which refer to positions held through the Group's real estate funds.

Losses on financial assets available-for-sale refer to the impact on the income statement for the period of the impairment policy followed by the Group: of these, Euro 69 million refers to shares, while the remainder relates to UCITS units.

The interest expense on other financial liabilities includes the expenses on the Group financial debt.

During the first half-year interest income was not accrued on financial assets written down for impairment in previous years.

At 30 June 2011 "Other financial liabilities and other payables" included Euro 0.9 million for interest expense and other expenses on loans for the Atahotels Group.

OTHER INCOME

Other income amounted to Euro 175,732 thousand (Euro 317,319 thousand at 30 June 2011) and are summarised in the following table:

<i>(values in € thousands)</i>	30.6.12	30.6.11	Change	31.12.11
Capital gains on non-current assets	15	4	11	16.523
Other technical income	30.086	41.280	(11.194)	54.291
Funds withdrawals	32.565	77.053	(44.488)	164.768
Foreign exchange differentials	5.780	1.184	4.596	4.731
Non-operating income	20.185	9.995	10.190	38.293
Profits on property, plant and equipment	8	28	(20)	271
Other revenue	85.458	178.848	(93.390)	376.479
Change in building inventory (revenues)	718	7.945	(7.227)	9.459
Revenues from rental property in intangible assets	917	982	(65)	1.883
Total	175.732	317.319	(141.587)	666.721

The “Other income” item in the above table includes the following income:

- Euro 31 million (Euro 37 million at 30 June 2011) relating to the income of the subsidiary Auto Presto & Bene;
- Euro 25 million (Euro 23 million at 30 June 2011) related to the operating income of the Group’s retirement home subsidiaries;
- Euro 10 million (Euro 38 million at 30 June 2011) related to the operating income of Immobiliare Lombarda and the Immobiliare Fondiaria-SAI and Immobiliare Milano;
- Euro 4 million (Euro 4 million at 30 June 2011) in income from the agriculture business

At 30 June 2011 the item included Euro 58 million related to the operating income of the Atahotels Group.

NET INSURANCE BENEFIT AND CLAIMS

The claims paid, including the sums for the Life classes and the respective expenses, gross of the portions ceded to reinsurers, came to Euro 6,289,708 thousand, up 28.08% compared with the same period in the previous year.

Insurance claims paid and changes in insurance contract liabilities

<i>(values in € thousands)</i>	30.6.12	30.6.11	Change	31.12.11
Amounts paid	2.806.570	2.821.279	(14.709)	5.488.355
Change in recoveries	(67.327)	(88.177)	20.851	(167.944)
Change in other technical reserves	(302)	(194)	(108)	(269)
Change in claims reserve	(188.773)	(32.719)	(156.054)	751.863
Total Non-Life	2.550.169	2.700.189	(150.020)	6.072.005
Amounts paid	3.483.138	2.089.557	1.393.581	4.393.334
Change in mathematical reserves and in other reserves	(218.309)	(333.183)	114.874	(918.433)
Change in technical reserves when the investment risk is borne by policyholders and derives from pension fund management	(1.320.352)	927.116	(2.247.468)	721.290
Change in payout reserve	108.121	46.589	61.531	138.661
Total Life	2.052.597	2.730.078	(677.481)	4.334.852
Total Non-Life + Life	4.602.766	5.430.267	(827.502)	10.406.857
Amounts paid	6.222.381	4.822.658	1.399.723	9.713.745
Change in reserves	(1.619.616)	607.609	(2.227.225)	693.112

Insurance claims: quota ceded to reinsurers

<i>(values in € thousands)</i>	30.6.12	30.6.11	Change	31.12.11
Amounts paid by reinsurers	84.430	74.774	9.656	166.130
Change in other technical reserves	50.201	1.084	49.117	4.970
Change in claims reserve	19.463	(1.685)	21.148	(23.911)
Total Non-Life	154.094	74.173	79.921	147.188
Amounts paid by reinsurers	11.162	9.678	1.484	24.226
Change in mathematical reserves and other technical reserves	(8.180)	(61.700)	53.520	(6.319)
Change in payout reserve	(1.854)	67.413	(69.267)	992
Total Life	1.128	15.391	(14.263)	18.899
Total Non-Life + Life	155.222	89.564	65.658	166.087
Amounts paid by reinsurers	145.793	85.536	60.257	195.326
Change in reserves	9.429	4.028	5.401	(29.239)

The change in the net technical provision of the Non-Life classes amounted to Euro - 208,538 thousand, down compared to 30 June 2011 by Euro 177,310 thousand.

The change in the net technical provisions of the Life classes, including the provision for sums payable, was Euro -1,420,508 thousand (Euro 634,808 thousand at 30 June 2011).

FEE AND COMMISSION EXPENSE

The commission expense for the first half of 2012 amounted to Euro 4,418 thousand, with a change from the first half-year of 2011 of Euro -4,687 thousand.

This item includes acquisition costs for investment contracts, issued by insurance companies, not falling within the scope of IFRS 4.

OPERATING EXPENSES

<i>(values in € thousands)</i>	30.6.12	30.6.11	Change	31.12.11
Acquisition commissions and change in deferred acquisition costs	510,300	556,990	(46,690)	1,108,433
Other acquisition expenses	99,548	106,704	(7,156)	213,502
Collection commissions	17,018	18,399	(1,381)	36,140
Commissions and profit-sharing received from reinsurers	(36,155)	(38,211)	2,056	(80,658)
Total Non-Life	590,711	643,882	(53,171)	1,277,417
Acquisition commissions and changes in deferred acquisition costs	39,762	75,663	(35,901)	97,982
Other acquisition expenses	13,088	11,874	1,214	24,485
Collection commissions	3,064	3,405	(341)	7,921
Commissions and profit-sharing received from reinsurers	(871)	(255)	(616)	(1,182)
Total Life	55,043	90,687	(35,644)	129,206
Investment management expenses	7,130	7,099	31	16,437
Other administrative expenses	210,196	240,714	(30,518)	463,982
Total	863,080	982,382	(119,302)	1,887,042

OTHER EXPENSES

Other expenses amounted to Euro 448,935 thousand (Euro 509,510 thousand at 30 June 2011), and are summarised by type in the table below:

<i>(values in € thousands)</i>	30.6.12	30.6.11	Change	31.12.11
Other technical expenses	203,854	209,569	(5,715)	247,015
Allocation to provisions	112,970	38,809	74,161	136,605
Losses on receivables	11,017	5,822	5,195	35,832
Contingent liabilities	9,409	18,363	(8,954)	38,639
Depreciation of property, plant and equipment	5,515	7,966	(2,451)	15,096
Amortisation of intangible assets	15,372	21,039	(5,667)	43,094
Foreign exchange differentials	1,407	4,338	(2,931)	2,867
Other costs	89,391	203,604	(114,189)	528,102
Total	448,935	509,510	(60,551)	1,047,250

The item “Provision for risks and charges” includes for Fondiaria-SAI Euro 77 million and Euro 4.5 million for Premafin, relating to the write-downs for the period of receivables due from the Imco – Sinergia Group.

“Impairment on intangible assets” includes the reduction in value and the consequent resetting of the goodwill recognised by the subsidiary Incontra Assicurazioni.

The “Other expenses” item in the above table includes the following expenses:

- Euro 31 million (Euro 37 million at 30 June 2011) relating to the operating expenses of the subsidiary Auto Presto & Bene;
- Euro 21 million (Euro 18 million at 30 June 2011) relating to the expenses incurred by the Group’s retirement home subsidiaries for operating and personnel costs;
- Euro 12 million (Euro 38 million at 30 June 2011) relating to the operating expenses of Immobiliare Lombarda of the Immobiliare Fondiaria-SAI and Immobiliare Milano;
- Euro 3 million (Euro 2 million at 30 June 2011) related to the operating expenses of the subsidiary Saiagricola.

At 30 June 2011 the item included Euro 36 million relating to the operating expenses of the Atahotels Group.

INCOME TAXES

The breakdown of the item is as follows:

<i>(values in € thousands)</i>	30.6.12	30.6.11	Change	31.12.11
Current taxes	(91.918)	(22.731)	(69.187)	(139.894)
Deferred taxes	43.153	471	42.682	530.961
Total	(48.765)	(22.260)	(26.505)	391.067

Income taxes for the period amount to Euro 48,765 thousand (Euro 22,261 thousand at 30 June 2011) as the combined effect of current tax of Euro 91,918 thousand and positive net deferred tax of Euro 43,153 thousand.

National income taxes (IRES and IRAP) and the income taxes of foreign subsidiaries are calculated by applying the theoretical tax rates applicable to annual earnings to the respective tax basis.

The positive effect of deferred taxes includes the reversal, in terms of greater expenses, of the deferred assets allocated in previous years on tax losses which, during the half-year, may be deducted from taxable income within the limits allowed by the tax laws.

The tax rate for the period, taking into account a positive result before taxes but of a limited size, is insignificant and not comparable with the tax burden for the same period of the previous year.

PROFIT (LOSS) FROM DISCONTINUED OPERATIONS

This item, amounting to Euro -11,144 thousand, includes -13,455 thousand related to the result for the period of the Atahotels Group and Euro 2,311 thousand related to the result deriving from the disposal of the investment in IGLI S.p.A.

STATEMENT OF COMPREHENSIVE INCOME

The results of the statement of comprehensive income shown in the appropriate tables were impacted significantly by the market prices for financial instruments classified as available for sale.

PART D – SEGMENT INFORMATION

In accordance with IFRS 8, information on operating segments provides readers of the financial statements with an additional tool for a better understanding of the Group's operating and financial performance.

The underlying rationale in applying the standard is to provide information on how and where the Group's results are made and consequently on its overall operations, particularly the areas where profit and risks are concentrated.

The Group's reporting system is based on business segments. The Group companies are organised and managed separately based on the nature of their products and services, for each business segment, which represents a strategic business unit offering different products and services.

In identifying the segments, the management reporting structure has been considered. The Non-Life segment provides insurance cover pursuant to Article 2, paragraph 3 of Legislative Decree 209/05. The Life segment offers insurance cover consisting of the payment of principal or an annuity upon the occurrence of an event affecting human life, as well as securitisation contracts with or without significant insurance risk (Article 2, paragraph 1 of Legislative Decree 209/05).

The Real Estate segment rents offices, buildings and residential homes which exceed the coverage requirements of the insurance contract liabilities of the Group and actively operates in the management and enhancement of investment property.

The Other Activities segment, by its nature residual, offers products and services in asset management and the financial and agricultural sectors. The identification of the residual segment is based on a discretionary valuation to show the primary sources of risks and benefits for the Group.

Inter-segment transactions are generally carried out under arm's length conditions.

The following tables show the statement of financial position and income statement by segment.

STATEMENT OF FINANCIAL POSITION
BY BUSINESS SEGMENT

	NON-LIFE INSURANCE SECTOR		LIFE INSURANCE SECTOR		REAL ESTATE SECTOR		OTHER SECTORS		INTER-SECTOR ELIMINATIONS		TOTAL	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
1 INTANGIBLE ASSETS	828.332	858.507	587.675	587.761	1.109	1.204	27.587	70.132	-	-	1.444.703	1.517.604
2 PROPERTY AND EQUIPMENT	88.510	94.634	7.533	7.030	200.498	200.991	82.948	102.720	(26)	(26)	379.463	405.349
3 REINSURANCE ASSETS												
	676.274	608.617	83.179	93.263	-	-	-	-	-	-	759.453	701.880
4 INVESTMENTS	7.782.528	7.971.804	22.106.219	23.524.748	1.241.113	1.380.328	1.588.889	1.321.224	(364.390)	(381.058)	32.354.359	33.817.046
4.1 Investment property	1.291.489	1.463.159	4.287	4.434	1.129.718	1.267.203	40.877	41.656	-	-	2.466.371	2.776.452
4.2 Investments in subsidiaries, associates and joint ventures	92.913	79.447	-	21.135	13.154	13.383	1.650	2.829	-	-	107.717	116.794
4.3 Investments held to maturity	-	-	727.861	601.755	-	-	-	-	(2.078)	(2.042)	725.783	599.713
4.4 Loans and receivables	738.055	716.892	2.063.105	2.118.511	27.197	41.286	1.344.425	1.128.491	(299.508)	(316.315)	3.873.274	3.688.865
4.5 Financial assets available-for-sale	5.631.349	5.686.886	12.265.613	11.793.373	68.169	55.581	131.044	129.268	(56.384)	(56.551)	18.039.791	17.608.557
4.6 Financial assets recognised at fair value through profit or loss	28.722	25.420	7.045.353	8.985.540	2.875	2.875	70.893	18.980	(6.420)	(6.150)	7.141.423	9.026.665
5 OTHER RECEIVABLES	2.061.697	2.307.377	210.028	282.888	65.681	59.587	214.901	319.130	(339.389)	(619.796)	2.212.918	2.349.186
6 OTHER ASSETS	1.024.961	1.091.567	352.562	559.961	145.038	136.381	187.223	78.878	(32.271)	(62.949)	1.677.513	1.803.838
6.1 Insurance deferred acquisition costs	-	-	31.146	30.301	-	-	-	-	-	-	31.146	30.301
6.2 Other assets	1.024.961	1.091.567	321.416	529.660	145.038	136.381	187.223	78.878	(32.271)	(62.949)	1.646.367	1.773.537
7 CASH AND CASH EQUIVALENTS	1.139.236	965.478	312.888	279.784	109.228	42.437	131.412	103.415	(711.048)	(387.009)	981.716	1.004.105
TOTAL ASSETS	13.601.538	13.897.984	23.660.084	25.335.435	1.762.667	1.820.928	2.232.960	1.995.499	(1.447.124)	(1.450.838)	39.810.125	41.599.008
1 SHAREHOLDERS' EQUITY											1.540.271	1.274.415
2 PROVISIONS FOR RISKS AND CHARGES	242.855	252.103	26.067	30.417	17.217	16.809	31.130	37.793	-	-	317.269	337.122
3 INSURANCE CONTRACT LIABILITIES	12.328.376	12.610.322	21.206.942	22.497.183	-	-	-	-	-	-	33.535.318	35.107.505
4 FINANCIAL LIABILITIES	1.107.322	1.090.312	1.066.072	1.684.858	187.882	211.039	1.626.740	1.299.144	(1.067.022)	(757.681)	2.920.994	3.527.672
4.1 Financial liabilities at fair value through profit and loss	69.994	39.726	640.075	1.257.930	5.564	4.743	44.992	47.107	-	-	760.625	1.349.506
4.2 Other financial liabilities	1,037,328	1,050,586	425,997	426,928	182,318	206,296	1,581,748	1,252,037	(1,067,022)	(757,681)	2,160,369	2,178,166
5 PAYABLES	784.351	833.971	105.839	132.350	41.502	38.290	255.645	419.058	(342.191)	(627.718)	845.146	795.951
6 OTHER LIABILITIES	366.587	386.715	180.680	172.418	15.879	31.172	126.052	31.515	(38.071)	(65.476)	651.127	556.344
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES											39.810.125	41.599.008

PREMAFIN FINANZIARIA - S.P.A.
Holding di Partecipazioni

BILANCIO CONSOLIDATO

AT 30.06.12

(Values in €thousands)

INCOMESTATEMENT

by activity sector

	NON-LIFE INSURANCE SECTOR		LIFE INSURANCE SECTOR		REAL ESTATE SECTOR		OTHER SECTORS		INTER-SECTOR ELIMINATIONS		TOTAL	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
1.1 Net premiums	3.339.780	3.486.625	1.585.906	2.549.245	-	-	-	-	-	-	4.925.686	6.035.870
1.1.1 Gross premiums written	3.496.347	3.628.126	1.590.875	2.560.277	-	-	-	-	-	-	5.087.222	6.188.403
1.1.2 Premiums ceded to re-insurers	(156.567)	(141.501)	(4.969)	(11.032)	-	-	-	-	-	-	(161.536)	(152.533)
1.2 Fee and Commission income	-	-	1.963	5.557	-	-	11.591	11.668	(8.567)	(3.480)	4.987	13.745
1.3 Income and charges from financial instruments at fair value through profit or loss	16.009	(10.612)	309.351	94.696	(319)	(86)	1.005	(9.029)	-	(15)	326.046	74.954
1.4 Income from investments in subsidiaries, associates and joint ventures	652	123	-	(1)	15	14.899	-	-	-	-	667	15.021
1.5 Income from other financial instruments and investment properties	228.321	163.550	367.331	404.213	25.754	23.335	29.652	33.194	(14.363)	(24.432)	636.695	599.860
1.6 Other income	237.716	268.407	32.149	30.954	10.853	40.896	272.312	316.275	(377.297)	(339.211)	175.733	317.321
1 TOTAL INCOME	3.822.478	3.908.093	2.296.700	3.084.664	36.303	79.044	314.560	352.108	(400.227)	(367.138)	6.069.814	7.056.771
2.1 Net insurance benefit and claims	(2.396.075)	(2.626.016)	(2.051.468)	(2.714.687)	-	-	-	-	-	-	(4.447.543)	(5.340.703)
2.1.2 Claims paid and changes in insurance contract liabilities	(2.550.169)	(2.700.188)	(2.052.597)	(2.730.079)	-	-	-	-	-	-	(4.602.766)	(5.430.267)
2.1.3 Reinsurers' Share	154.094	74.172	1.129	15.392	-	-	-	-	-	-	155.223	89.564
2.2 Fee and commission expenses	-	-	(1.412)	(4.800)	-	-	(3.007)	(4.305)	-	-	(4.419)	(9.105)
2.3 Expenses from other financial instruments and investment properties	(8.001)	(49)	-	1	(198)	(56)	(12)	(157)	-	-	(8.211)	(261)
2.4 Charges from other financial instruments and investment property	(134.301)	(110.252)	(51.969)	(96.061)	(33.855)	(35.642)	(18.979)	(26.525)	8.377	11.468	(230.727)	(257.012)
2.5 Operating expenses	(736.178)	(799.651)	(93.316)	(128.213)	(233)	(164)	(156.550)	(166.237)	123.197	111.884	(863.080)	(982.381)
2.6 Other expenses	(469.354)	(446.765)	(54.923)	(63.580)	(27.927)	(36.596)	(165.383)	(206.365)	268.653	243.796	(448.934)	(509.510)
2 TOTAL EXPENSES	(3.743.909)	(3.982.733)	(2.253.088)	(3.007.340)	(62.213)	(72.458)	(343.931)	(403.589)	400.227	367.148	(6.002.914)	(7.098.972)
PROFIT (LOSS) BEFORE TAXES	78.569	(74.640)	43.612	77.324	(25.910)	6.586	(29.371)	(51.481)	-	10	66.900	(42.201)

PART E - INFORMATION ON BUSINESS COMBINATIONS AND DISCONTINUED OPERATIONS

IGLI S.p.A.

On 27 December 2011, Immobiliare Fondiaria-SAI S.r.l. and Immobiliare Milano Assicurazioni S.r.l. entered into a contract with Argo Finanziaria S.p.A. for the purchase by the latter of 8,040,000 ordinary shares of IGLI S.p.A. held overall by Immobiliare Fondiaria-SAI S.r.l. and Immobiliare Milano Assicurazioni S.r.l. and representing a 33.33% investment of the share capital of IGLI S.p.A. As is known, IGLI S.p.A. in turn owns 120,576,293 ordinary shares of Impregilo S.p.A., representing a 29.96% investment in its share capital with voting rights.

The purchase price for each IGLI S.p.A. share purchased was agreed as Euro 10.89572, and it was determined based on the forecast statement of financial position of IGLI S.p.A. at 31 December 2011, prepared valuing each Impregilo S.p.A. share owned by IGLI S.p.A. at Euro 3.65.

Argo Finanziaria S.p.A. then designated its subsidiary Autostrada Torino Milano S.p.A. as the purchaser of the IGLI S.p.A. shares owned by Immobiliare Fondiaria-SAI S.r.l. and Immobiliare Milano Assicurazioni S.r.l.

On 8 March 2012, the transaction was completed with simultaneous payment of the price of 43,800,794.40 to each seller.

Immobiliare Fondiaria-SAI S.r.l. and Immobiliare Milano Assicurazioni S.r.l. agreed, on their own behalves and on behalf of their associates, not to purchase directly or indirectly any securities, shares, rights or participatory instruments of Impregilo S.p.A., financial instruments or credit securities convertible into shares or participatory instruments of Impregilo S.p.A., as well as any right of option for the subscription and/or purchase of the said instruments, for a period of 12 months from the execution of the transaction.

Atahotels Group

On 3 May 2012, the Board of Directors of Fondiaria-SAI chose the private equity operator 21 Investimenti as the counterparty for proceeding exclusively with the analysis for the sale of the hotel business falling under the Atahotels business conglomerate.

Shown below are the financial statements of the Atahotels Group at 30 June 2012.

STATEMENT OF FINANCIAL POSITION – ASSETS

(in Euro thousands)	30/06/2012
1 INTANGIBLE ASSETS	36.528
1.2 Other intangible assets	36.528
2 PROPERTY AND EQUIPMENT	18.419
2.1 Property	2.383
2.2 Other property and equipment	16.036
4 INVESTMENTS	3.885
4.2 Investments in subsidiaries, associates and joint ventures	1.236
4.4 Loans and receivables	2.649
5 OTHER RECEIVABLES	25.378
5.3 Other receivables	25.378
6 OTHER ASSETS	17.836
6.3 Deferred tax assets	2.469
6.4 Tax receivable assets	12.640
6.5 Other assets	2.727
7 CASH AND CASH EQUIVALENTS	13.169
TOTAL ASSETS	115.215

STATEMENT OF FINANCIAL POSITION – SHAREHOLDERS' EQUITY AND LIABILITIES

(in Euro thousands)	30/06/2012
1 SHAREHOLDERS' EQUITY	11.275
1.1 Shareholders' equity attributable to the Group	11.275
1.1.9 Loss for the period	(13.455)
2 PROVISIONS FOR RISKS AND CHARGES	3.249
4 FINANCIAL LIABILITIES	13.967
4.2 Other financial liabilities	13.967
5 PAYABLES	80.849
5.3 Other payables	80.849
6 OTHER LIABILITIES	5.875
6.2 Deferred tax liabilities	4.835
6.3 Tax payables	693
6.4 Other liabilities	347
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	115.215

INCOME STATEMENT

(in Euro thousands)		30/06/2012
1.5	Income from other financial instruments and investment properties	27
1.5.1	Interest income	27
1.6	Other income	54.160
1	TOTAL INCOME	54.187
2.3	Expenses from investments in subsidiaries, associates and joint ventures	(156)
2.4	Expenses from other financial instruments and investment properties	(791)
2.4.1	Interest expense	(579)
2.4.2	Other expenses	(212)
2.5	Operating expenses	(14.418)
2.5.3	Other administrative expenses	(14.418)
2.6	Other expenses	(52.170)
2	TOTAL EXPENSES	(67.535)
	LOSS FOR THE PERIOD BEFORE TAXES	(13.348)
3	Income taxes	(107)
	LOSS FOR THE PERIOD AFTER TAXES	(13.455)
	LOSS FOR THE PERIOD	(13.455)

As at 30/06/2012 the Atahotels Group result was 13.9 million negative.

PART F – INFORMATION ON RELATED-PARTY TRANSACTIONS

Introduction

Disclosure in the interim consolidated financial statements of information on “Related parties” is governed by IAS 24 and by Consob communications on the subject, to which the reader is referred.

The transactions between the Parent Company and its subsidiaries, which are related parties of the Parent Company, were derecognised in the interim financial statements pursuant to the consolidation principles, and are therefore not shown in these notes.

The Premafin Board of Directors’ meeting held on 25 November 2010, by a unanimous vote by all attendees and upon a prior favourable opinion of all three independent directors present at the meeting, adopted the document known as “Rules of conduct for carrying out significant transactions and procedures for carrying out related-party transactions”, prepared pursuant to Article 4 of the Regulation issued by Consob with Resolution 17221 of 12 March 2010, as amended by Resolution 17389 of 23 June 2010.

This document contains the provisions which must be observed by the management bodies of companies using the venture capital markets in order to ensure the substantive and procedural transparency and the propriety of related-party transactions carried out by the company directly or through subsidiaries. This document can be consulted on the Company website at www.premafin.it in the “Corporate Governance” section.

The tables below show the financial, income and cash flow figures relating to related-party transactions for the entire first half-year of 2012 or, in relation to property projects begun in previous years and not yet completed, deriving from Group transactions undertaken with them.

Details of transactions between the Group and other related parties are shown in the following tables:

Financial statement balances

(values in € thousands)

COUNTERPARTY	30.6.12		31.12.11	
	Activities	Liabilities	Activities	Liabilities
Associates	112.583	685	106.129	837
Group Companies	7	8	7	8
Other related parties	222.916	14.183	295.866	19.288
Total	335.506	14.876	402.001	20.133

<i>(values in € thousands)</i>				
NATURE	30.6.12		31.12.11	
	Activities	Liabilities	Activities	Liabilities
Real estate activities	202.572	6.478	271.952	7.827
Insurance activities	558	74	199	3.988
Financial activities	130.955	4.630	128.830	5.000
Services provided	1.336	73	949	-
Services received	85	1.161	63	1.460
Fees to corporate officer	-	2.460	9	1.858
Remuneration to managers with strategic responsibility	-	-	-	-
Total	335.506	14.876	402.001	20.133

<i>(values in € thousands)</i>				
COUNTERPARTY	30.6.12		30.6.11	
	Income	Charges	Income	Charges
Associates	280	3	19.695	18.234
Group Companies	-	-	-	-
Other related parties	22.981	113.053	22.860	42.974
Total	23.261	113.056	42.555	61.208

<i>(values in € thousands)</i>				
NATURE	30.6.12		30.6.11	
	Income	Charges	Income	Charges
Real estate activities	678	73.451	23.416	23.288
Insurance activities	21.951	19.868	18.591	11.987
Financial activities	424	3.983	391	19
Services rendered	208	141	157	-
Services received	-	5.420	-	5.015
Fees to corporate officer	-	4.972	-	6.649
Remuneration to managers with strategic responsibility	-	5.221	-	14.250
Total	23.261	113.056	42.555	61.208

<i>(values in € thousands)</i>				
COUNTERPARTY	30.6.12		30.6.11	
	Inflows	Outflows	Inflows	Outflows
Associates	122	8.856	19.784	27.479
Group Companies	-	-	-	-
Other related parties	22.812	49.958	19.702	71.800
Total	22.934	58.814	39.486	99.279

<i>(values in € thousands)</i>				
NATURE	30.6.12		30.6.11	
	Inflows	Outflows	Inflows	Outflows
Real estate activities	644	14.304	19.909	54.128
Insurance activities	22.037	20.252	18.646	12.097
Financial activities	189	8.783	536	7.204
Services rendered	40	121	315	-
Services received	24	6.518	80	5.242
Fees to corporate officer	-	3.615	-	6.358
Remuneration to managers with strategic responsibility	-	5.221	-	14.250
Total	22.934	58.814	39.486	99.279

All of the above transactions were concluded under normal market conditions. The receivables recorded under assets are not guaranteed and will be paid in cash. No provision was made during the three-year period in question for any losses on receivables from related parties.

REAL ESTATE ACTIVITIES

The table below shows property-related income and financial effects.

COUNTERPARTY	30.6.12					
	Activities	Liabilities	Income	Charges	Inflows	Outflows
Associates	245	-	91	-	53	-
Group Companies	-	-	-	-	-	-
Other related parties	202.327	6.478	587	73.451	591	14.304
Total	202.572	6.478	678	73.451	644	14.304

The amount recorded under assets mainly includes:

Relationships with Other related parties:

- Euro 92.4 million for the valuation at inventory of the building project at the Port of Loano. The amount capitalised by Immobiliare Fondiaria-SAI S.r.l. through the subsidiary Marina di Loano S.p.A. is Euro 92.4 million, and includes the sums paid in previous years to Marcora Costruzioni S.p.A. The valuation at inventory includes Euro 9.6 million incurred with Sepi 97 S.r.l. for design work, as well as Euro 2.6 million with I.C.E.IN. S.p.A. and Euro 1 million with Imco S.p.A. for construction work;
- the assets of Milano Assicurazioni S.p.A. related to other related parties include Euro 78.4 million in receivables with companies in the Imco-Sinergia group (of which Euro 52.9 million with Avvenimenti e Sviluppo Alberghiero and Euro 25.5 million with Imco) deriving from payments made to these companies by Milano Assicurazioni in relation to two pre-construction real estate purchase transactions stipulated in previous years. The amount indicated is net of a value adjustment for the period of Euro 61.6 million made following the insolvency judgment issued by the Second Civil Section of the Court of Milan on 14 June 2012.

The said real estate transactions have been discussed in previous financial statements and in interim reports. However, by way of introduction, we note here that: in 2003 a transaction was undertaken with the sale to Avvenimenti e Sviluppo Alberghiero of the buildable surface area in Rome, via Fiorentini, and the purchase by the same acquirer of the building complex on the area in question at a price of Euro 110 million, taking into account the addendum stipulated during 2009.

For this transaction, Milano Assicurazioni paid Avvenimenti e Sviluppo Alberghiero advances in the total amount of approximately Euro 102 million. The payments all date from previous years since the work was suspended for some time while awaiting a new Agreement with the Municipality of Rome in replacement of the Agreement of 8 August 2000; in 2005, Milano Assicurazioni made a similar transaction, which provided for the sale to Imco of the land located in Milan at Via Confalonieri - Via de Castillia (Lunetta dell'Isola) and the acquisition from IMCO of a building for office use to be built on that land, at the total price of Euro 99.1 million, taking into account the addendum stipulated in 2011. The total advances recorded by Milano Assicurazioni for that transaction amounted to Euro 77.4 million, of which Euro 7 million were paid in the half-year under review; in the 2011 financial statements these transactions, classified under investment property, were subject to value adjustments based on appraisals by independent experts. Specifically, the carrying amount of the project in Rome at Via Fiorentini was reduced by Euro 29.9 million, while the adjustment made for the transaction concerning the area located in Milan at Via

Confalonieri – Via De Castillia was Euro 12.6 million. That having been said: during the first half-year, the said related parties asked the Company for the payment of additional amounts due to presumed changes to the original plans. It was deemed that these requests were unfounded, and they were therefore rejected at the time; on 14 June 2012 the Second Civil Section of the Court of Milan issued a declaration of bankruptcy against Imco and Sinergia. After that judgment, the carrying amount of these real estate projects, which until the 2011 financial statements were recognised under Investment property, were reclassified under Other receivables. The said transactions provided in fact for Milano Assicurazioni to become the owner of those properties only after they were completed and passed inspection, and the contracts were not accompanied by specific guarantees. The declaration of bankruptcy thus exposed the company to the risk of losing the right to delivery of the property under construction, remaining as creditor for the sums paid as advances.

The valuation of the credits at the presumed realisation value, made by an independent expert using criteria already mentioned in discussing Other receivables, entailed an adjustment of Euro 61.6 million through the half-year income statement (of which Euro 20.8 million in relation to Avvenimenti e Sviluppo Alberghiero and Euro 40.8 million in relation to Imco). As a result of this adjustment, the receivables with the said companies were recognised in the amount of Euro 78.4 million compared to an original amount of approximately Euro 179 million;

- Euro 7.8 million payable to Immobiliare Fondiaria-SAI S.r.l. by Imco S.p.A. relating to payments on account for a future acquisition, consisting of the construction of the hotel accommodation complex with an attached wellness centre, which is in the execution phase in the municipality of S. Pancrazio Parmense (Parma). The Company entrusted the appraisal of the initiative to an independent expert on 31 December 2011. In view of this appraisal, the Company has written the asset down by a total of approximately Euro 11.7 million. As a result of the counterparty's bankruptcy, there was a further write-down of Euro 3.8 million;
- the amount of Euro 7.2 million paid by the subsidiary Nuove Iniziative Toscane S.r.l. to the company Europrogetti S.r.l. for design work in the Castello Area (FI) was transferred from inventories under current assets to trade receivables for advances and was written off completely;
- Euro 5.8 million for the valuation at inventory of demolition and reconstruction work in the area owned by the subsidiary Meridiano Secondo S.r.l., both during the current half-year and in previous years, by the related party I.C.E.IN. S.p.A., together with Euro 2.2 million incurred for design activities with ML.PR.AV. S.r.l.
- Euro 1.4 million due to the Tikal RE Fund from I.C.E.IN. S.p.A. for increased expenses.

The amount recorded in assets, though referring to projects begun in previous years, will not be removed until the project in progress is improved or completed.

On the other hand, additional costs on existing properties already in operation are shown only in the year in which they occur.

The amount recorded under liabilities mainly includes:

Relationships with Other related parties:

- trade payables of the subsidiary Marina di Loano S.r.l. to Marcora Costruzioni S.p.A. for Euro 1.2 million in relation to construction work at the Port of Loano;

- trade payables of Immobiliare Lombarda S.p.A., to SO.GE.PI S.r.l. for Euro 1 million for invoices to be received;
- payables for Euro 1.8 million by the Tikal R.E. fund to I.C.E.IN. S.p.A.;
- payables for Euro 1.2 million by Milano Assicurazioni S.p.A. to Imco S.p.A. in relation to the property project on land located in Milan at Via Confalonieri-Via de Castillia (Lunetta dell'Isola) and for work performed at the Via Lancetti property, also in Milan.

The amount recorded under expenses essentially includes the write-downs made with regard to receivables due from the Imco-Sinergia Group as stated in the individual asset items.

Outflows relating to Other related parties refer to:

- Euro 11.2 million for the payment of invoices by Milano Assicurazioni S.p.A. to Imco S.p.A. in relation to the property project on land located in Milan at Via Confalonieri - Via de Castillia (Lunetta dell'Isola) and for work performed at the Via Lancetti property, also in Milan.
- Euro 1.7 million for the payment of invoices by the Tikal R.E. fund to I.C.E.IN. S.p.A.

INSURANCE ACTIVITIES

The table below shows insurance-related income and financial effects.

<i>(values in € thousands)</i> COUNTERPARTY	30.6.12					
	Activities	Liabilities	Income	Charges	Inflows	Outflows
Associates	-	4	19	3	19	4
Group Companies	-	-	-	-	-	-
Other related parties	558	70	21.932	19.865	22.018	20.248
Total	558	74	21.951	19.868	22.037	20.252

As far as liabilities of an insurance nature to Other Related Parties are concerned, in addition to the information in the table, there is Euro 3.5 million relating to claims provisions activated for the enforcement of several guarantee policies issued in favour of Imco-Sinergia.

As of 2010, transactions with the Group's pension funds fall within the scope of other related parties.

Insurance income with other related parties therefore includes not only premiums for Non-Life and Life policies of Euro 3.2 million, but also the premiums that the Fondiaria-SAI Group Employee Pension Fund and the Fondiaria-SAI S.p.A. Group Executive Pension Fund pay to Fondiaria-SAI (Euro 12.1 million) and to Milano Assicurazioni S.p.A. (Euro 6.6 million). These payments are for investing the contributions collected from Life policyholders.

Insurance expenses in respect of Other related parties are due to:

- payment of contributions owed by Group companies to the Fondiaria-SAI Group Employee and Executive Pension Funds of Euro 7.7 million. These payments are governed by the contractual agreements in force;
- claims settlement, due to compensation made for redemption or expiry of Life policies of Euro 11.8 million.

Added to this is Euro 3.5 million relating to claims for the enforcement of several guarantee policies issued in favour of Imco-Sinergia.

Insurance-related cash inflows from Other related parties were from premiums that the Fondiaria-SAI Group Employee Pension Fund and the Fondiaria-SAI S.p.A. Group Executive Pension Fund paid during the year, to Fondiaria-SAI (Euro 12.1 million) and to Milano Assicurazioni S.p.A. (Euro 6.6 million). These payments are for investing the contributions collected from Life policyholders.

Insurance-related cash outflows to Other related parties refer to:

- payment of contributions owed by Group companies to the Fondiaria-SAI Group Employee and Executive Pension Funds of Euro 7.8 million. These payments are governed by the contractual agreements in force;
- claims settlement, due to compensation made for redemption or expiry of Life policies of Euro 11.7 million.

FINANCIAL ACTIVITIES

The table below shows financially-related income and financial effects.

<i>(values in € thousands)</i> COUNTERPARTY	30.6.12					
	Activities	Liabilities	Income	Charges	Inflows	Outflows
Associates	111.459	681	1	-	50	8.778
Group Companies	-	8	-	-	-	-
Other related parties	19.496	3.941	423	3.983	139	5
Total	130.955	4.630	424	3.983	189	8.783

The amount recorded under assets mainly includes:

Relationships with associates, which refer to:

- Euro 70.5 million with the associate Garibaldi S.c.s. and Euro 16.4 million in respect of the associate HEDF Isola S.c.s. for investments made by Milano Assicurazioni S.p.A.;
- with respect to receivables for loans, we note those due to Immobiliare Milano from Borsetto S.r.l. (Euro 7.8 million), Sviluppo Centro Est S.r.l. (Euro 8.4 million), Metropolis S.p.A. (Euro 4.1 million) and Penta Domus S.r.l. (Euro 1.3 million);
- Euro 2.6 million refers to loans due to Immobiliare Fondiaria-SAI S.r.l. from the associate Progetto Alfiere S.p.A. The gross amount was Euro 6.3 million and the write-down totalled Euro 3.7 million.

With regard to transactions giving rise to financial assets with Other related parties, note:

- Euro 17.3 million, net of the write-downs, for the disbursement of loans granted by the subsidiary BancaSai. Of these, approximately 8 million and Euro 4.8 million are due from Sinergia Holding S.p.A. and Imco S.p.A., respectively, while the remainder of Euro 4.5 million concerns receivables due from both legal and natural persons. In relation to such loans, effective guarantees were provided of Euro 0.4 million by Imco S.p.A. and Euro 10.3 million by Sinergia Holding S.p.A. With regard to Sinergia

Holding S.p.A., the pledge guaranteeing the opening of a current account line of credit and a bullet loan of Euro 7 million refers to units of the closed-end speculative property investment fund “UNO-FONDO SVILUPPO” managed by Zero SGR S.p.A.

The amount recorded under liabilities mainly includes:

- Current accounts maintained by other related parties, both legal and natural persons, at the subsidiary BancaSai of Euro 3.9 million.

The amount recorded under expenses essentially includes the write-downs made with regard to receivables due from the Imco-Sinergia Group for a total of approximately Euro 3.8 million.

Financial cash outflows to associates concern:

- payments of Euro 6.5 million in respect of the associate Garibaldi S.c.a. and Euro 1.8 million in respect of the associate HEDF Isola S.c.s. for investments made by Milano Assicurazioni S.p.A.

SERVICES PROVIDED

(values in € thousands)

COUNTERPARTY	30.6.12					
	Activities	Liabilities	Income	Charges	Inflows	Outflows
Associates	879	-	169	-	-	-
Group Companies	7	-	-	-	-	-
Other related parties	450	73	39	141	40	121
Total	1.336	73	208	141	40	121

These mainly include receivables from invoices to be collected and income from the ordinary operations of the diversified segment.

SERVICES RECEIVED

(values in € thousands)

COUNTERPARTY	30.6.12					
	Activities	Liabilities	Income	Charges	Inflows	Outflows
Associates	-	-	-	-	-	-
Group Companies	-	-	-	-	-	-
Other related parties	85	1.162	-	5.420	24	6.518
Total	85	1.162	-	5.420	24	6.518

Liabilities for services received from Other related parties amounting to Euro 1.1 million for invoices to be received.

As far as expenses for services received from Other related parties, the main ones include a total of Euro 5.4 million (of which Euro 1.2 million to Studio Legale Marco Cardia for legal advice; Euro 0.86 million to Parametrica Consulting for technical advice, Euro 0.55 million to Attorney Rapisarda Fausto for legal advice, Euro 0.67 million to Studio Gismondi & Associati for legal advice and Euro 0.63 million to Studio Legale D’Urso Gatti e Bianchi for legal advice).

Finally, expenses include fees for corporate offices held in Group companies of Euro 3.7 million and salaries of executives with strategic responsibilities of Euro 4.7 million.

The remaining outflows to Other related parties refer to fees paid to directors for positions held at Group companies, for Euro 2.5 million, and payment of salaries to executives with strategic responsibilities, for 4.7 million.

Note that at 30 June 2012, assets in respect of related parties (including associates) accounted for approximately 0.84% of the assets in the consolidated financial statements, while liabilities amounted to 0.04% of consolidated liability items, excluding shareholders' equity items.

Similarly, net cash flows absorbed 21.1% of the net cash flows deriving from continuing operations, as shown in the consolidated cash flow statement at 30 June 2012.

The companies Immobiliare Costruzioni Imco S.p.A., I.C.E.IN. S.p.A., Marcora Costruzioni S.p.A., Avvenimenti e Sviluppo Alberghiero S.r.l., Laità S.r.l. and Gilli Communication S.r.l. are related parties in that some directors have declared interests and investments in Sinergia Holding di Partecipazioni S.p.A., which is their parent company. In fact, Immobiliare Costruzioni Imco S.p.A., I.C.E.IN. S.p.A., Marcora Costruzioni S.p.A., Avvenimenti e Sviluppo Alberghiero S.r.l. and Gilli Communication S.r.l. are related parties of the Parent Company in that directors Jonella Ligresti, Giulia Maria Ligresti and Gioacchino Paolo Ligresti have declared interests and investments in Sinergia Holding di Partecipazioni S.p.A., which controls those companies directly or indirectly. Further to the foregoing, Sinergia Holding di Partecipazioni is a subsidiary of Starlife S.A. ("Starlife"), a Luxembourg-based company, the share capital of which, according to information made public by the interested parties, is held as follows: 25% by Giulia Maria Ligresti; 25% by Jonella Ligresti; 25% by Gioacchino Paolo Ligresti and 25% by Salvatore Ligresti; no party controls Starlife pursuant to Article 93 of the TUF.

Premafin FonSAI – Bankruptcy of Imco S.p.A. and Sinergia Holding di Partecipazioni S.p.A.

On 14 June 2012 the second civil division of the Court of Milan issued a bankruptcy order against Imco S.p.A. and Sinergia Holding di Partecipazioni S.p.A.

The Fondiaria-SAI Board of Directors met on 14 June 2012 and took note of the bankruptcy order issued by the second civil division against Imco S.p.A. in liquidation ("Imco") and Sinergia Holding di Partecipazioni S.p.A. ("Sinergia") in liquidation.

On 19 June 2012, still in relation to this order, Premafin announced that, following an initial investigation into existing relations with these companies, the only significant relation was that with regard to indemnities issued by Imco S.p.A. and its subsidiaries for any charges/liabilities resulting from the commitment to sell areas located in the municipality of Milan to third parties, as reported in the Company's financial statements.

Existing relations for the Group at 30 June 2012 include:

- Euro 101.7 million due to Milano Assicurazioni from Avvenimenti e Sviluppo Alberghiero S.r.l. relating to the Via Fiorentini initiative in Rome. This receivable, net of the bad debt provision, amounted to Euro 52.9 million at 30 June 2012;
- Euro 77.4 million due to Milano Assicurazioni S.p.A. from Imco relating to the Via de Castillia initiative in Milan. This receivable, net of the bad debt provision, amounted to approximately Euro 25.5 million at 30 June 2012;

- Euro 23.3 million due to Immobiliare Fondiaria-SAI S.p.A. from Imco relating to the San Pancrazio Parmense (PR) initiative. This receivable, net of the bad debt provision, amounted to Euro 7.8 million at 30 June 2012;
- Euro 7.2 million due to Nuove Iniziative Toscane S.p.A. from Europrogetti S.p.A. for payments on account for project works. Note that at the end of the first half of 2012 this amount was completely written-down;
- Euro 21.4 million relating to receivables due to BancaSai from the Imco-Sinergia Group, of which Euro 10.7 million represents unsecured credit positions. This receivable, net of the bad debt provision, amounted to Euro 12.8 million at 30 June 2012;
- Approximately Euro 3.5 million, net of reinsurance, relating to guarantee policies for commitments undertaken by companies which are part of the Imco-Sinergia Group, the latter already recorded under the cost of claims. With regard to the level of exposure for guarantee policies, a further Euro 8.3 million, net of the reinsurance effect, should be noted.

As a result of the declaration of bankruptcy of Sinergia and Im.Co, regarding the risk of the guarantees issued by Im.Co and their subsidiaries relating to possible charges/liabilities resulting from the commitment to sell areas located in the municipality of Milan, Premafin has made plans to set aside risk provisions in the half-year of Euro 4.5 million, added to the Euro 2.5 million set aside previously.

In terms of overall related-party transactions, there were no significant positions or transactions deriving from atypical and/or unusual transactions.

PART G – OTHER INFORMATION

INFORMATION ON FINANCIAL RISKS

Derivative financial instruments

The Group makes limited use of financial derivatives. In fact, the characteristics and peculiarities of the insurance business mean that the use of financial derivatives is governed by special framework resolutions issued by the Supervisory Authority with Provision 297/1996. On 31 January 2011, ISVAP issued Regulation 36 concerning investment guidelines, including investments in derivatives and structured securities, and revoked Resolution 297/1996, *inter alia*.

Specifically, Regulation 36 confirms that financial derivative transactions for the purpose of efficient management are to be limited to a tolerable level of the available solvency margin. In this context, note that the Group's financial derivative transactions are intended primarily to hedge equity risk through the use of options designated as fair value hedges and for hedging risks deriving from variations in interest rates on debt exposures with banks through the use of interest rate swaps (IRS) designated as cash flow hedges.

Open positions

Fair value hedges

Combined put-call options

At 30 June 2012, through Fondiaria-SAI S.p.A., the Group holds the following combined put-call options with the same contractual features (underlying, notional amount, expiry, and strike):

- 14,955,197 options (average strike of Euro 7.091) hedging price risk for 14,955,197 Pirelli & C. ordinary shares from the Non-Life class, classified as equity instruments available-for-sale, amounting to 70.13% of the Group's total exposure (70.58% for Fondiaria-SAI);
- 1,736,567 options (average strike of Euro 5.9375) hedging price risk on 1,736,567 shares of UniCredit from the Non-Life class, classified as equity instruments available-for-sale, amounting to 17.18% of the Group's total exposure (48.30% for Fondiaria-SAI);
- 3,680,000 options (average strike of Euro 0.2597) hedging price risk on 3,680,000 shares of Banca Popolare di Milano from the Life class, classified as equity instruments available-for-sale, amounting to 7.24% of the Group's total exposure (11.36% for Fondiaria-SAI). The shares in question are the subject of a securities lending agreement with Banca IMI;
- 2,866,778 options (average strike of Euro 11.4267) hedging price risk on 2,866,778 shares of Generali from the Non-Life class, classified as equity instruments available-for-sale, amounting to 17.53% of the Group's total exposure (41.70% for Fondiaria-SAI);
- 1,360,000 options (average strike of Euro 3.238) hedging price risk on 1,360,000 shares of Mediobanca from the Non-Life class, classified as equity instruments

available-for-sale, amounting to 4.12% of the Group's total exposure (5% for Fondiaria-SAI).

Through Milano Assicurazioni, it holds the following combined put-call options with the same contractual features (underlying, notional amount, expiry, and strike):

- 1,278,070 options (average strike of Euro 5.5415) hedging price risk on 1,278,070 shares of UniCredit from the Non-Life class, classified as equity instruments available-for-sale, amounting to 12.65% of the Group's total exposure (19.76% for Milano Assicurazioni);
- 3,241,000 options (average strike of Euro 11.3262) hedging price risk on 3,241,000 shares of Generali from the Non-Life class, classified as equity instruments available-for-sale, amounting to 19.82% of the Group's total exposure (34.44% for Milano Assicurazioni);
- 821,000 options (average strike of Euro 13.3315) hedging price risk on 821,000 shares of Generali from the Life class, classified as equity instruments available-for-sale, amounting to 5.02% of the Group's total exposure (8.72% for Milano Assicurazioni);
- 2,846,020 options (average strike of Euro 0.2638) hedging price risk on 2,846,020 shares of Banca Popolare di Milano from the Life class, classified as equity instruments available-for-sale, amounting to 5.6% of the Group's total exposure (15.46% for Milano Assicurazioni). These shares are the subject of a securities lending agreement with Banca IMI;
- 3,882 options (average strike of Euro 5.2430) hedging price risk on 3,882 shares of UniCredit from the Life class, classified as equity instruments available-for-sale, amounting to 0.04% of the Group's total exposure (0.06% for Milano Assicurazioni);
- 290,000 options (average strike of Euro 4.9867) hedging price risk on 290,000 shares of Mediobanca from the Life class, classified as equity instruments available-for-sale, amounting to 0.88% of the Group's total exposure (9.33% for Milano Assicurazioni).

(values in € thousands)

Purchase put / sell call derivative hedging shares	Number of options	Number of options	Company	Hedging derivative assets		Hedging derivative liabilities		Total adjustment to book value of shares available for sale hedged	
				30.6.12	31.12.11	30.6.12	31.12.11	30.6.12	31.12.11
Pirelli & Co ord (Non-Life class)	14,955,197	13,855,786	Fondiaria-SAI	-	-	16,137	401	16,137	401
Unicredit (Non-Life class)	173,656	1,325,789	Fondiaria-SAI	5,410	2,221	-	-	(5,410)	(2,221)
Banca Popolare di Milano (Life class)	3,680,000	23,176,040	Fondiaria-SAI	-	-	375	898	375	898
Generali (Non-Life class)	2,866,778	6,250,107	Fondiaria-SAI	2,685	-	-	1,195	(2,685)	1,195
Generali (Life class)	-	195,252	Fondiaria-SAI	-	146	-	-	-	(146)
Mediobanca (Non-Life class)	1,360,000	-	Milano Ass.ni	-	-	220	-	220	-
Unicredit (Non-Life class)	1,278,070	4,796,661	Milano Ass.ni	3,476	7,480	-	-	(3,476)	(7,480)
Generali (Non-Life class)	3,241,000	5,091,014	Milano Ass.ni	2,710	-	-	1,249	(2,710)	1,249
Generali (Life class)	821,000	1,726,376	Milano Ass.ni	2,333	2,495	-	-	(2,333)	(2,495)
Banca Popolare di Milano (Life class)	2,846,020	9,376,040	Milano Ass.ni	-	-	278	386	278	386
Unicredit (Life class)	3,882	3,882	Milano Ass.ni	9	6	-	-	(9)	(6)
Mediobanca (Life class)	290,000	-	Milano Ass.ni	460	-	-	-	(460)	-
Total				17,083	12,348	17,010	4,129	(73)	(8,219)

The fair value of the options at 30 June 2012 generates overall assets of Euro 73 thousand (overall assets of Euro 8,219 thousand at 31 December 2011). Since the hedge inception date, the positive and negative changes in the period deriving from the measurement of the options at fair value are recognised in the income statement under "Income and charges from financial assets at fair value through profit or loss". At the same time, the book value of the hedged assets is adjusted as a result of changes during the period in the fair value of the hedged shares with the resulting recognition of changes for the period in the income

statement under “Income and charges from financial instruments at fair value through profit or loss”. During 2012 the options underwent a negative change of Euro 8,146 thousand as a result of the fair value on the options still in existence at 30 June 2012, which was fully offset by the positive change during the period in the fair value of the hedged shares. The fair value hedges through options were assessed as effective and, at 30 June 12, there were no ineffective hedged items requiring recognition in the income statement.

Interest rate swaps

At 30 June 2012, the Group holds IRS contracts through the wholly owned subsidiary BancaSai S.p.A. for an overall notional amount of Euro 25 million hedging rate risk deriving from fixed-rate commitments to customers. The valuation at 30 June 2012 of the hedging IRS corresponds to an overall negative fair value of approximately Euro 803 thousand (Euro 891 thousand negative fair value at 31 December 2011).

The main contractual conditions of these IRS are described below in detail:

<i>(values in € thousands)</i>	Notional value	Maturity	Fixed rate %	Floating rate	Fair value	
					June 30, 2012	December 31, 2011
Banca SAI	25.000	2-feb-14	3,05	Euribor 6 m Act/360	(803)	(891)
Total by company	25.000				(803)	(891)

Cash flow hedging instruments

Interest rate swaps

In view of the type of hedge involved, at 30 June 2012 the Group held Interest Rate Swaps (IRSs) to manage the risks deriving from changes in interest rates on debt exposures with banks, converting a part of these loans from variable-rate loans to fixed-rate loans.

The notional amount of these instruments amounted to Euro 1,125 million (Euro 1,125 million at 31 December 2011).

The fair value of the IRSs designated as cash flow hedges at 30 June 2012 amounted to a liability of Euro 62 million (Euro 51 million at 31 December 2011). The shareholders' equity reserve, which includes the negative fair value of the hedging instruments at 30 June 2012, stated net of the portion attributed to non-controlling interest and net of the tax impact, amounted to a negative reserve of Euro 42 million (negative reserve of Euro 35 million at 31 December 2011).

The main contractual conditions of these IRS are illustrated below in detail:

<i>(values in € thousands)</i>	Notional value	Maturity	% fixed rate	Floating rate	Fair value	
					June 30, 2012	December 31, 2011
Fondiaria-SAI s.p.A.	200.000	23-lug-13	3,970	Euribor 6 m act/360	(6.450)	(7.993)
Fondiaria-SAI s.p.A.	100.000	23-lug-13	3,930	Euribor 6 m act/360	(3.183)	(3.935)
Fondiaria-SAI s.p.A.	100.000	23-lug-13	3,990	Euribor 6 m act/360	(3.246)	(4.027)
Fondiaria-SAI s.p.A.	150.000	14-lug-16	3,180	Euribor 6 m act/360	(12.081)	(9.915)
Fondiaria-SAI s.p.A.	100.000	30-dic-15	3,080	Euribor 6 m act/360	(7.005)	(5.900)
Fondiaria-SAI s.p.A.	100.000	14-lug-18	3,309	Euribor 6 m act/360	(10.476)	(7.963)
Fondiaria-SAI s.p.A.	150.000	14-lug-18	2,145	Euribor 6 m act/360	(5.596)	(1.407)
Milano Assicurazioni S.p.A.	50.000	14-lug-16	3,180	Euribor 6 m act/360	(4.030)	(3.306)
Milano Assicurazioni S.p.A.	100.000	14-lug-18	2,350	Euribor 6 m act/360	(4.952)	(2.085)
Tikal	25.000	30-dic-16	3,185	Euribor 6 m act/360	(2.220)	(1.788)
Tikal	30.000	30-dic-16	3,140	Euribor 6 m act/360	(2.604)	(2.080)
Marina di Loano	20.000	31-dic-14	2,550	Euribor 3 m 30/360	(633)	(666)
Total by company	1.125.000				(62.477)	(51.065)

Non-hedging derivatives

The Group does not undertake derivative contracts on currencies to hedge transactions and future cash flows, since the currency risk exposure overall is immaterial and is covered through the mechanism of natural hedges between assets and liabilities in foreign currencies.

Equity Swaps

At 30 June 2012 Premafin had an equity swap on Fondiaria-SAI shares maturing on 29 March 2013, the fair value of which is negative by Euro 42.3 million (Euro 43.4 million at 31 December 2011).

On 19 July 2012, Premafin unwound the equity swap contract by withdrawing 34,736 ordinary shares of Fondiaria-SAI post-combination, assuming the respective debt in the amount of approximately Euro 45.5 million.

Earn out

If the conditions contained in the UniCredit Agreement should come about, on 31 December 2016 Premafin will have to pay UniCredit a premium as explained in that agreement.

The fair value of that premium at 30 June 2012 was estimated at zero (negative by Euro 0.2 million at 31 December 2011).

On 9 July 2012, Premafin and UniCredit terminated the investment agreement signed in 2011, consequently releasing the remaining obligations, including the payment of a possible premium (earn out).

Credit default swaps

At 30 June 2012, the Group had credit default swaps in existence, through Fondiaria-SAI S.p.A., to protect itself from the risk of insolvency by counterparties issuing financial instruments acquired by the Group.

The costs of such hedges, amounting to Euro 372 thousand, were recognised in the income statement for the year under asset and financial charges.

At 30 June 2012, the following credit default swap contracts were open:

<i>(values in € thousands)</i>	Notional value	Maturity	Counter-party	Hedged Issuer	Cost	Market value at June 30, 2012
Fondiarria-SAI s.p.A.	25.000	20-feb-13	Morgan Stanley	republic of serbia	295.2 bps per annum	(265)
Total by company	25.000					(265)

Interest rate swaps

At 30 June 2012, among non-hedging operations, the following Interest Rate Swaps remain open:

<i>(values in € thousands)</i>	Notional value	Maturity	Rate		Fair value	
			% fixed	% variable	30.6.12	31.12.11
Premafin HP S.p.A.	22.500	31-dic-13	3,654	Euribor 3 m 30/360	(523)	(623)
Premafin HP S.p.A.	22.500	31-dic-13	2,805	Euribor 3 m 30/360	(457)	(527)
Prenafin HP S.p.A.	18.000	31-dic-14	3,050	Euribor 3 m 30/360	(625)	(651)
Immobiliare Milano	3.571	31-dic-12	3,770	Euribor 6 m 30/360	(52)	(103)
Immobiliare Milano	3.571	31-dic-12	3,695	Euribor 6 m 30/360	(51)	(99)
Total by company	70.142				(1.708)	(2.003)

Purchases of Put Options on the S&P 500 index

Fondiarria-SAI

It purchased 1,650 put options on the S&P 500 index with a strike price of USD 1,325. Paid premiums total Euro 48 thousand.

Milano Assicurazioni

It purchased 1,650 options on the S&P 500 index, with a strike price of USD 1,325. Paid premiums total Euro 48 thousand.

CLOSED POSITIONS

Fair value hedges

During the first half of 2012, put/call options intended as partial hedges on investments were entered into and closed early by Fondiarria-SAI on strategic shares, generating capital gains of Euro 6,268 thousand and capital losses for Euro 7,316 thousand.

As far as Milano Assicurazioni is concerned, the capital gains made on this type of option amounted to Euro 17,494 thousand and the capital losses made amounted to Euro 1,923 thousand.

Non-hedging derivatives

Cash Settled Bond Forward Transactions

During the first half of 2012, the Group entered into "Cash Settled Bond Forward Transactions", in order to take advantage of an increase in the credit spread on 10-year Italian government bonds compared to German government bonds with the same duration.

Due to early closure, Fondiaria-SAI recognised a positive impact on the income statement of Euro 366 thousand; Milano Assicurazioni recognised a positive impact on the income statement of Euro 302 thousand.

Interest rate swaps

(values in € thousands)

	Notional value	Maturity	Floating Rate Paid	Floating Rate Received
Banca SAI	97.562	31-ott-47	Euribor 6 m act/360+ 7bps	Euribor 6 m act/360
Banca SAI	11.950	31-ott-47	Euribor 6 m act/360+ 7bps	Euribor 6 m act/360
Total by company	109.512			

In the first half of 2012, two IRS were closed with the payment of Euro 620 million to Banca Akros; the negative impact on the income statement was equal to Euro 24 thousand.

Call and put options on shares and indices

During the first half of 2012, call and put options were closed.

The impact on the income statement for the first half of 2012 was negative by Euro 737 thousand for Fondiaria-SAI, and Euro 186 thousand for Milano Assicurazioni, positive for Euro 321 thousand for Fondiaria-SAI, and Euro 282 thousand for Milano Assicurazioni.

Earnings per share

Basic earnings (loss) per share is calculated by dividing the Group net result attributable to the shareholders of the Parent Company by the average weighted number of shares outstanding during the year. The weighted average number of shares outstanding is reduced by the weighted average number of own shares held by the Premafin Group.

In accordance with IAS 33, the result and the information on shares are stated for the calculation of the basic and diluted earnings (loss) per share:

	June 30, 2012	June 30, 2011
Operating Result attributable to the shareholders of the Parent Company	(13.809)	(43.535)
Weighted average number of ordinary shares to calculate the basic earnings per share	382.775.895	382.775.895
Basic earnings per share (€)	(0,036)	(0,114)
Net Result from non current assets attributable to the shareholders of the Parent Company	(2.372)	0
Weighted average number of ordinary shares to calculate the basic earnings per share	382.775.895	382.775.895
Basic earnings per share (€)	(0,006)	0,000
Result attributable to the shareholders of the Parent Company	(16.181)	(43.535)
Weighted average number of ordinary shares to calculate the basic earnings per share	382.775.895	382.775.895
Basic earnings per share (€)	(0,042)	(0,114)
Dilution effect:		
Weighted average number of ordinary shares to calculate diluted earnings per share	382.775.895	382.775.895
Diluted earnings per share (€)	(0,042)	(0,114)

Note that any reclassification of contributions at 30 June 2011 from the Atahotels Group and IGLI S.p.A. under “Non-current assets or disposal group classified as held for sale” will not have any significant effect.

SUBSEQUENT EVENTS

No significant events occurring after half-year end are noted that would entail an adjustment of the amounts shown in these financial statements.

On 19 July 2012, in implementing the investment agreement of 29 January 2012, Unipol Gruppo Finanziario S.p.A. (“UGF”) carried out the capital increase of Premafin Finanziaria S.p.A. – Holding di Partecipazioni (“Premafin”) as resolved by the extraordinary shareholders’ meeting on 12 June 2012 and reserved for UGF, fully subscribing and paying in a total of 1,741,239,877 newly issued unlisted ordinary shares of Premafin, with regular dividend entitlement and the same rights as the ordinary Premafin shares outstanding, at a unit issue price of Euro 0,195 each for a total amount of Euro 339,541,776.02. With the said subscription, UGF became the controlling shareholder of Premafin with an investment of approximately 81% in its share capital.

Premafin – in implementing the agreements stipulated with its lender banks on 13 June 2012 – also unwound the equity swap in existence with UniCredit S.p.A. (“UniCredit”) by delivering 34,736 ordinary shares of Fondiaria-SSAI (“FonSAI”) to Premafin and assuming the respective debt to UniCredit in the amount of approximately Euro 45.5 million.

In keeping with the Reorganisation Plan, upon the occurrence of so-called Phase 1, depending mainly on the implementation of the abovementioned capital increase, the following went into effect:

- (i) the Loan Agreement Amended Pre-Merger, which restructures the debt deriving from the syndicated loan agreement and from the excepted closure of the equity swap, for an amount of approximately Euro 368 million plus the interest accrued from the last payment, postponing, *inter alia*, the expiry date of 31 December 2020;
- (ii) the New Confirmation Act of the pledge of 1,160,670 Fondiaria-SAI ordinary shares, which takes into account the failure of the former merger or reduction mechanism of the same and which does not extend to any other Fondiaria-SAI shares owned by Premafin deriving, *inter alia*, from the Fondiaria-SAI capital increase resolved on 19 March 2012 and established on 27 June 2012;
- (iii) the amending agreements of the loan agreements of the subsidiary Finadin Finanziaria di Investimenti S.p.A. (“Finadin”) respectively with Banca Popolare di Milano Soc. Coop. a r.l. (“BPM”) for approximately Euro 12.6 million and Banco Popolare Soc. Coop. (“BP”) for approximately Euro 12.7 million, both expiring on 31 December 2013, in relation to which the existing pledge remains on 65,727 Fondiaria-SAI shares for BPM and 62,120 Fondiaria-SAI shares for BP, taking full effect.

The financial resources deriving from the Premafin capital increase have been used in full by it and by its subsidiary Finadin for the immediate subscription and paying in of their respective shares in the FonSAI capital increase and thus more precisely for:

- (i) the subscription by Premafin of 292,488,840 new ordinary shares of FonSAI in exercising the right of option on FonSAI shares held directly;
- (ii) the subscription again by Premafin of 8,753,472 new ordinary shares of FonSAI in exercising the right of option on shares deriving from the mutually agreed unwinding of the equity swap contract with UniCredit;
- (iii) the subscription by Finadin of 38,299,464 ordinary shares of FonSAI in exercising the right of option on the FonSAI shares held by Finadin.

Fondiaria-SAI – Capital increase: conclusion of the offering period

On 1 August 2012 the offering to shareholders of a maximum of 916,895,448 ordinary shares and a maximum of 321,762,672 new issue Fondiaria-SAI Category B savings shares, from the paid-in, divisible share capital increase, whose conditions were approved by the Board of Directors on 5 July 2012 in execution of the powers conferred upon them by the Extraordinary Shareholders' Meeting on 27 June 2012 came to a conclusion.

During the period of the offering, from 16 July 2012 to 1 August 2012 (inclusive), 2,484,113 option rights were exercised for the subscription of 625,996,476 Ordinary Shares and 283,366 option rights were exercised for the subscription of 71,408,232 Fondiaria-SAI new issue Category B Savings Shares, equivalent, respectively, to 68.273% of the total Ordinary Shares and 22.193% of the total of new issue Category B Savings Shares offered, with a total value standing at Euro 666,342,127.08.

At the end of the Offer Period, 1,154,361 option rights valid for the subscription of 290,898,972 Ordinary Shares and 993,470 option rights valid for the subscription of 250,354,440 Category B Savings Shares, equivalent, respectively to 31.727% of the total Ordinary Shares offered and 77.807% of the total new issue Category B Savings Shares offered, for a total value equal to Euro 432,349,230.60 have not been exercised.

The Option Rights which have not been exercised will be offered by Fondiaria-SAI on the Stock Exchange on the dates which will be notified later through a special announcement prepared pursuant to Article 89 of Consob Regulation no. 11971/1999.

Therefore, with regard to the above, the correct solvency index of Fondiaria-SAI, determined with reference to the prospective margin required at the end of the year and before the costs of the share capital increase, stands at approximately 120%.

SPECIFIC EXPLANATORY NOTES

As required by IAS 34, paragraph 16, the following is noted:

- the insurance sector, in and of itself, is not a seasonal sector. At this time, therefore, no indicators have been defined showing cyclical phenomena in the reporting period under review;
- there were no unusual elements in the period under review such as to significantly affect the items in the statement of financial position, income statement and cash flow statement, other than those previously mentioned;
- there were no changes to the estimates made in periods or years prior to the current period such as to entail a significant effect on the interim period under review.

Pursuant to IAS 37, the Group is not aware of any potential significant assets or liabilities compared with 31 December 2011 which would require specific mention herein.

Milan, 3 August 2012

On behalf of the Board of Directors
The Chairman and Chief Executive Officer
Giulia Maria Ligresti

Certification of the condensed half-year financial statements pursuant to Art. 81 – ter of Consob Regulation 11971 of 14 May 1999 as amended and supplemented

We the undersigned, Giulia Maria Ligresti, as Chairman and Chief Executive Officer, and Giuseppe Nassi, as Executive responsible for the preparation of the corporate accounting documents of Premafin Finanziaria S.p.A., hereby attest, also in consideration of Article 154-*bis*, paragraphs 3 and 4, of Legislative Decree 58 of 24 February, 1998, to:

- the accuracy of the information on company operations and
- the effective application

of the administrative and accounting procedures for the preparation of the condensed half-year financial statements during the first half of 2012.

The evaluation of the adequacy of the accounting and administrative procedures for the preparation of the interim condensed consolidated financial statements as of and for the six months ended 30 June 2012 is based on models individually defined by the Fondiaria-SAI Group and that of its Parent Company Premafin in accordance with the “Internal Control – Integrated Framework” and “Cobit” models, which represent benchmarks for internal control systems generally accepted internationally.

Also note that:

- the condensed half-year financial statements as of and for the six month ended 30 June 2012:
 - a) were prepared in accordance with international accounting standards, recognised in the European Union pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - b) correspond to the accounting documents and records;
 - c) are suitable for providing a true and accurate representation of the economic and financial position of the issuer and of all the companies included in the consolidation.
- the interim directors’ report includes a reliable analysis in reference to important events that occurred during the first six months of the year and their impact on the condensed half-year financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The interim directors’ report also includes a reliable analysis of the information on significant related-party transactions.

Milan, 3 August 2012

The Chairman and Chief
Executive Officer
Giulia Maria Ligresti

The Executive responsible for the
preparation of corporate accounting
documents
Giuseppe Nassi

PREMAFIN FINANZIARIA – S.p.A. HOLDING DI PARTECIPAZIONI

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PREMAFIN FINANZIARIA S.p.A.
 Holding di Partecipazioni

APPENDICES

AT 30 June 2012

PREMAFIN FINANZIARIA - S.p.A.

Holding di Partecipazioni

CONSOLIDATED FINANCIAL STATEMENTS AT 30.06.12

Basis of consolidation

Order number	Name	State	Method (1)	Activities (2)	% Direct equity investment	% total holding (3)	% Available votes in ordinary general meeting (4)	% consolidation
1	FONDIARIA - SAI S.p.A.	86	G	4	28,00	26,396	35,76	26,40
2	FINADIN S.p.A.	86	G	11	60,00	70,558	100	70,56
3	INTERNATIONAL STRATEGY S.r.l.	86	G	10	100,00	100,000	100	100,00
4	BANCA SAI SPA	86	G	7	0,00	26,396	100	26,40
5	BIM VITA SPA	86	G	1	0,00	26,396	100	26,40
6	BRAMANTE SRL	86	G	10	0,00	26,396	100	26,40
8	CAMPO CARLO MAGNO SPA	86	G	10	0,00	16,732	100	26,40
9	CARPACCIO SRL	86	G	10	0,00	26,396	100	26,40
10	CASA DI CURA VILLA DONATELLO SPA	86	G	11	0,00	26,396	100	26,40
11	CENTRO ONCOLOGICO FIORENTINO CASA DI CURA VILLANOVA SRL	86	G	11	0,00	26,396	100	26,40
12	CASCINE TRENNO S.R.L	86	G	10	0,00	26,396	100	26,40
13	COLPETRONE SRL	86	G	11	0,00	25,738	100	26,40
14	CONSORZIO CASTELLO	86	G	10	0,00	25,981	99,57	26,40
16	PONTORMO SRL	86	G	10	0,00	26,396	100	26,40
18	DIALOGO ASSICURAZIONI SPA	86	G	1	0,00	16,706	99,85	26,40
19	DOMINION INSURANCE HOLDING LTD	31	G	11	0,00	26,393	100	26,40
23	EUROPA TUTELA GIUDIZIARIA SPA	86	G	1	0,00	26,396	100	26,40
24	EUROSAI FINANZIARIA DI PARTECIPAZIONE SRL	86	G	11	0,00	26,396	100	26,40
25	FINALIA SPA	86	G	11	0,00	26,396	100	26,40
26	FINSAI INTERNATIONAL SA	92	G	11	0,00	26,396	100	26,40
27	FONDIARIA-SAI NEDERLAND BV	50	G	11	0,00	26,396	100	26,40
29	IMMOBILIARE LITORELLA SRL	86	G	10	0,00	26,396	100	26,40
30	IMMOBILIARE LOMBARDA SPA	86	G	10	0,00	22,932	100	26,40
31	INIZIATIVE VALORIZZAZIONI EDILI IN. V. ED. SRL	86	G	10	0,00	26,396	100	26,40
32	INSEDIAMENTI AVANZATI NEL TERRITORIO I.A.T. SPA	86	G	10	0,00	26,396	100	26,40
35	MASACCIO SRL	86	G	10	0,00	26,396	100	26,40
36	MERIDIANO BELLARMINO SRL	86	G	10	0,00	26,396	100	26,40
37	MERIDIANO BRUZZANO SRL	86	G	10	0,00	26,396	100	26,40
40	MERIDIANO PRIMO SRL	86	G	10	0,00	26,396	100	26,40
41	APB CAR SERVICE SRL	86	G	10	0,00	26,396	100	26,40
43	MERIDIANO SECONDO SRL	86	G	10	0,00	26,396	100	26,40
44	ATAVALUE SRL (Ex MERIDIANO TERZO)	86	G	11	0,00	26,396	100	26,40
45	MILANO ASSICURAZIONI SPA	86	G	1	0,00	16,732	63,40	26,40
46	MIZAR SRL	86	G	10	0,00	26,396	100	26,40
49	NUOVA IMPRESA EDIFICATRICE MODERNA SRL	86	G	10	0,00	26,396	100	26,40
50	NUOVE INIZIATIVE TOSCANE SRL	86	G	10	0,00	26,095	100	26,40
51	MARINA DI LOANO SPA	86	G	10	0,00	26,396	100	26,40
53	PROGETTO BICOCCA LA PIAZZA SRL in liquidazione	86	G	10	0,00	19,533	74	26,40
54	PRONTO ASSISTANCE SPA	86	G	1	0,00	26,396	100	26,40
55	PRONTO ASSISTANCE SERVIZI SPA	86	G	11	0,00	21,095	100	26,40
56	RISTRUTTURAZIONI EDILI MODERNE R.EDIL.MO SRL	86	G	10	0,00	26,396	100	26,40
57	SAIAGRICOLA SPA	86	G	11	0,00	25,738	100	26,40

Order number	Name	State	Method (1)	Activities (2)	% Direct equity investment	% total holding (3)	% Available votes in ordinary general meeting (4)	% consolidation
58	SAIFIN SAIFINANZIARIA SPA	86	G	11	0,00	26,396	100	26,40
59	SAI INVESTIMENTI S.G.R. SPA	86	G	8	20,00	38,313	80	26,40
60	SAINTERNATIONAL SA	92	G	11	0,00	26,396	100	26,40
61	SAI HOLDING ITALIA SPA	86	G	11	0,00	26,396	100	26,40
62	SAILUX SA	92	G	11	0,00	26,396	100	26,40
63	SAI MERCATI MOBILIARI SIM SPA	86	G	11	0,00	26,396	100	26,40
65	SANTA MARIA DEL FICO SRL	86	G	11	0,00	25,738	100	26,40
68	SCONTOFIN S.A.	92	G	11	0,00	51,285	89	26,40
69	SERVICE GRUPPO FONDIARIA SRL	86	G	11	0,00	23,497	100	26,40
70	SIAT SOCIETA' ITALIANA DI ASS. E RIASS. SPA	86	G	1	0,00	24,994	94,69	26,40
71	SIM ETOILE SA	29	G	10	0,00	26,396	100	26,40
72	SOGEINT SRL	86	G	11	0,00	16,732	100	26,40
73	SRP SERVICES SA	71	G	11	0,00	26,396	100	33,06
75	STIMMA SRL	86	G	10	0,00	26,396	100	26,40
76	SYSTEMA COMPAGNIA DI ASS.NI SPA	86	G	1	0,00	16,732	100	26,40
77	THE LAWRENCE LIFE ASSURANCE CO LTD	40	G	2	0,00	13,198	100	26,40
78	THE LAWRENCE RE IRELAND LTD	40	G	5	0,00	26,396	100	26,40
79	TIKAL R.E. FUND	86	G	10	0,00	21,660	95,01	26,40
80	TRENNO OVEST S.R.L.	86	G	10	0,00	26,396	100	26,40
81	GRUPPO FONDIARIA-SAI SERVIZI SCRL	86	G	11	0,00	23,041	100	26,40
82	VILLA RAGIONIERI SRL	86	G	10	0,00	26,396	100	26,40
84	FLORENCE CENTRO DI CHIRURGIA AMBULATORIALE SRL	86	G	11	0,00	26,396	100	26,40
85	LIGURIA SOCIETA' DI ASSICURAZIONI SPA	86	G	1	0,00	16,727	99,97	26,40
86	LIGURIA VITA SPA	86	G	1	0,00	16,727	100	26,40
88	INCONTRA ASSICURAZIONI SPA	86	G	1	0,00	13,462	51	26,40
90	MERIDIANO AURORA SRL	86	G	10	0,00	26,396	100	26,40
93	SINTESI SECONDA SRL	86	G	10	0,00	16,732	100	26,40
94	SOCIETA' EDILIZIA IMM.RE SARDA S.E.I.S. SPA	86	G	10	0,00	13,639	51,67	26,40
95	POPOLARE VITA SPA	86	G	1	0,00	13,198	50	26,40
96	DDOR NOVI SAD ADO	289	G	3	0,00	26,393	99,99	26,40
98	AUTO PRESTO & BENE SRL	86	G	11	0,00	26,396	100	26,40
99	SAINT GEORGE CAPITAL MANAGEMENT SA	71	G	11	0,00	26,396	100	26,40
100	ATHENS RE FUND - FONDO SPECULATIVO	86	G	10	0,00	16,732	100	26,40
101	CITTA' DELLA SALUTE SCRL	86	G	11	0,00	26,396	100	26,40
102	ATAHOTELS COMPAGNIA ITALIANA AZIENDE TURISTICHE ALBERGHIERE S.p.A.	86	G	11	0,00	21,660	100	26,40
103	DDOR RE JOINT STOCK REINSURANCE COMPANY	289	G	6	0,00	26,396	100	26,40
104	DONATELLO DAY SURGERY SRL	86	G	11	0,00	26,396	100	26,40
105	IMMOBILIARE FONDIARIA-SAI SRL	86	G	10	0,00	26,396	100	26,40
106	IMMOBILIARE MILANO ASSICURAZIONI SRL	86	G	10	0,00	16,732	100	26,40
107	ITALRESIDENCE SRL	86	G	11	0,00	21,660	100	26,40

(1) Consolidation method: Line-by-line =G, Proportional =P, Full integration with single management =U

(2) 1=Italian ins.; 2=EU ins.; 3=third-state ins.; 4=insurance holding; 5=EU reins.; 6=third-state reins.; 7=banks; 8=asset management companies; 9=misc. holdings; 10=property; 11=other

(3) is the product of investment relationships relative to all the companies that, placed along the investment chain, are eventually positioned between the company that prepares the consolidated financial statements and the company in question. When the latter is a direct investee company of more than one subsidiary it is necessary to add together the individual products

(4) total percentage availability of votes at the ordinary general meeting if different from the proportion of the direct or indirect equity investment

PREMAFIN FINANZIARIA - S.P.A.

Holding di Partecipazioni

CONSOLIDATED FINANCIAL STATEMENTS AT 30.06.12

(Values in €)

Breakdown of non-consolidated equity investments

Order number	Name	State	Activiti es (1)	Type (2)	% Direct equity investment	% Total holding (3)	% Available votes in ordinary general meeting (4)	Balance-sheet value
8	SOCIETA' FUNIVIE DEL PICCOLO SAN BERNARDO SPA	86	11	b	0,00	7,23	27,38	3.354.847
9	A7 SRL	86	10	b	0,00	3,35	20,00	141.000
10	BORSETTO SPA	86	10	b	0,00	7,52	44,93	2.820.000
13	FIN. PRIV. SRL	86	11	b	0,00	7,54	28,57	15.836.850
14	GARIBALDI SCA	92	11	b	0,00	5,35	32,00	59.476.000
17	METROPOLIS SPA	86	10	b	0,00	4,98	29,73	0
18	SERVIZI IMMOBILIARI MARTINELLI SPA	86	10	b	0,00	3,35	20,00	144.000
19	SOFIGEA SRL in liquidazione	86	11	b	0,00	5,19	22,41	0
20	SOAIMPIANTI-ORGANISMI DI ATTESTAZIONE SPA in liquidaz.	86	11	b	0,00	5,71	21,64	317.114
21	UFFICIO CENTRALE ITALIANO SRL	86	11	b	0,00	5,55	25,52	229.915
22	PROGETTO ALFIERE SRL	86	10	b	0,00	5,02	19,00	1.361.656
24	PENTA DOMUS SPA	86	10	b	0,00	3,35	20,00	0
25	SVILUPPO CENTRO EST SRL	86	10	b	0,00	6,69	40,00	0
27	GLOBAL CARD SERVICE SRL	86	11	a	0,00	15,89	95,00	0
30	FONDIARIA-SAI SERVIZI TECNOLOGICI SRL	86	11	b	0,00	13,46	51,00	3.378.669
36	INVESTIMENTI MOBILIARI S.r.l.	86	11	a	100,00	100,00	100,00	78.745
37	PARTECIPAZIONI E INVESTIMENTI S.r.l.	86	11	a	100,00	100,00	100,00	78.762
38	PARTECIPAZIONI MOBILIARI S.r.l.	86	11	a	100,00	100,00	100,00	69.319
39	CONO ROMA S.r.l. IN LIQUIDAZIONE	86	11	b	0,00	35,28	50,00	0
41	DDOR AUTO DOO	289	3	a	0,00	26,39	100,00	12.303
42	DDOR GARANT	289	11	a	0,00	10,56	40,00	489.325
43	CONSULENZA AZIENDALE PER L'INFORMATICA SCAI SPA	86	11	b	0,00	7,94	30,07	1.279.726
44	BUTTERFLY AM SARL	92	11	b	0,00	7,54	28,57	6.755.841
46	VALORE IMMOBILIARE SRL	86	10	b	0,00	8,36	50,00	583.000
48	HOTEL TERME DI SAINT VINCENT SRL	86	11	a	0,00	21,66	100,00	0
49	ITAL H&R SRL	86	11	a	0,00	21,66	100,00	0
50	TOUR EXECUTIVE SPA	86	11	a	0,00	21,66	100,00	0
51	ATA BENESSERE SRL in liquidazione	86	11	a	0,00	21,66	100,00	0
54	ISOLA SCA	92	11	b	0,00	4,95	29,56	11.310.000

(1) 1=Italian ins.; 2=EU ins.; 3=third-state ins.; 4=insurance holding; 5=EU reins.; 6=third-state reins.; 7=banks; 8=asset management companies; 9=misc. holdings; 10=property; 11=other

(2) a=subsidiaries (IAS27) ; b=associates (IAS28); c= joint ventures (IAS 31); indicate with an asterisk (*) companies classified as held for sale pursuant to IFRS 5 and put in the key at the bottom of the table

(3) is the product of investment relationships relative to all the companies that, placed along the investment chain, are eventually positioned between the company that prepares the consolidated financial statements and the company in question. When the latter is a direct investee company of more than one subsidiary it is necessary to add together the individual products.

(4) total percentage availability of votes at the ordinary general meeting if different from the proportion of the direct or indirect equity investment

PREMAFIN FINANZIARIA - S.P.A.

Holding di Partecipazioni

CONSOLIDATED FINANCIAL STATEMENTS

AT 30.06.12

Breakdown of tangible and intangible assets

(Values in €thousands)

	At cost	At recalculated value or fair value	Total balance sheet value
Investment property	2.466.370	-	2.466.370
Other property	313.935	-	313.935
Other property, plant and equipment	65.528	-	65.528
Other intangible assets	44.313	-	44.313

PREMAFIN FINANZIARIA - S.P.A.
Holding di Partecipazioni
CONSOLIDATED FINANCIAL STATEMENTS
AT 30.06.12

Breakdown of technical reserves attributable to reinsurers

(Values in €thousands)

	Total balance sheet value	
	at 30.06.12	at 31.12.11
Non-Life reserves	676.274	608.617
Life reserves	81.179	93.263
Technical reserves where investment risk borne by policyholders and from pension fund management	-	-
Mathematical reserves and other reserves	81.179	93.263
Total technical reserves attributable to reinsurers	759.453	701.880

Holding di Partecipazioni
CONSOLIDATED FINANCIAL STATEMENTS
AT 30.06.12

Breakdown of financial assets
 (Values in €thousands)

	<u>Financial assets at fair value through profit or loss</u>										Total	
	Investments held to maturity		Loans and receivables		Available-for-sale financial assets		Financial assets held for trading		Financial assets designated at fair value through profit or loss		balance sheet value	
	at 30.06.12	at 31.12.11	at 30.06.12	at 31.12.11	at 30.06.12	at 31.12.11	at 30.06.12	at 31.12.11	at 30.06.12	at 31.12.11	at 30.06.12	at 31.12.11
Equity securities and derivatives valued at cos	-	-	-	-	-	-	-	-	-	-	-	
Equity securities at fair value	-	-	-	-	1.096.323	1.167.836	329	351	44.368	30.248	1.141.020	1.198.435
<i>of which listed securities</i>	-	-	-	-	832.266	914.523	329	351	44.368	30.248	876.963	945.122
Debt securities	725.783	599.713	2.423.883	2.465.849	16.149.801	15.636.678	82.474	34.240	6.061.872	8.038.695	25.443.813	26.775.175
<i>of which listed securities</i>	725.783	599.714	782.462	808.874	16.111.093	15.592.964	69.230	22.102	2.642.217	2.803.184	20.330.785	19.826.838
UCI units	-	-	-	-	791.570	801.948	18.679	19.015	738.314	617.108	1.548.563	1.438.071
Loans and receivables in respect of bank customers	-	-	582.118	636.315	-	-	-	-	-	-	582.118	636.315
Interbank loans and receivables	-	-	285.887	29.147	-	-	-	-	-	-	285.887	29.147
Deposits with ceding companies	-	-	24.415	24.895	-	-	-	-	-	-	24.415	24.895
Financial components receivable under insurance contracts	-	-	-	-	-	-	-	-	-	-	-	-
Other loans and receivables	-	-	554.341	512.968	-	-	-	-	-	-	554.341	512.968
Non-hedging derivatives	-	-	-	-	-	-	19	28	149.332	236.669	149.351	236.697
Hedging derivatives	-	-	-	-	-	-	-	-	16.552	12.328	16.552	12.328
Other financial investments	-	-	2.630	19.690	2.098	2.096	-	-	29.483	37.981	34.211	59.767
Totale	725.783	599.713	3.873.274	3.688.864	18.039.792	17.608.558	101.501	53.634	7.039.922	8.973.029	29.780.271	30.923.798

PREMAFIN FINANZIARIA - S.P.A.

Holding di Partecipazioni

CONSOLIDATED FINANCIAL STATEMENTS

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Breakdown of assets and liabilities relating to contracts issued by insurance companies where the investment risk is borne by customers and deriving from pension fund management

(Values in €thousands)

	Services connected to investment funds and market indices		Services connected to pension fund management		Total	
	at 30.06.12	at 31.12.11	at 30.06.12	at 31.12.11	at 30.06.12	at 31.12.11
Assets in the financial statements	6.662.927	8.624.071	293.087	275.932	6.956.014	8.900.003
Intragroup assets*	6.295	6.044	-	-	6.295	6.044
Total assets	6.669.222	8.630.115	293.087	275.932	6.962.309	8.906.047
Financial liabilities in the financial statements	320.892	963.677	293.086	275.932	613.978	1.239.609
Technical reserves in the financial statements	6.347.564	7.666.345	-	-	6.347.564	7.666.345
Intragroup liabilities*	-	-	-	-	-	-
Total liabilities	6.668.456	8.630.022	293.086	275.932	6.961.542	8.905.954

(*) Assets and liabilities eliminated in the consolidation process

PREMAFIN FINANZIARIA - S.P.A.
Holding di Partecipazioni
CONSOLIDATED FINANCIAL STATEMENTS
AT 30.06.12

Breakdown of technical reserves
(Values in €thousands)

	Total balance sheet value	
	at 30.06.12	at 31.12.11
Non-Life reserves	12.328.376	12.610.322
Premium reserve	2.646.936	2.741.846
Claims reserve	9.671.770	9.858.123
Other reserves	9.670	10.353
<i>of which reserves established after verification of consistency of liabilities</i>	-	-
Life reserves	21.206.943	22.497.183
Reserve for claims to be paid	463.613	360.690
Actuarial reserves	14.904.205	15.163.237
Technical reserves where investment risk borne by policyholders and from pension fund management	6.347.564	7.666.345
Other reserves	(508.439)	(693.089)
<i>of which reserves established after verification of consistency of liabilities</i>	-	-
<i>of which deferred liabilities to policyholders</i>	(581.320)	(772.473)
Total technical reserves	33.535.319	35.107.505

PREMAFIN FINANZIARIA - S.P.A.
Holding di Partecipazioni
CONSOLIDATED FINANCIAL STATEMENTS
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Breakdown of financial liabilities
(Values in €thousands)

	Financial liabilities at fair value through profit or loss							
	Financial liabilities held for trading		Financial liabilities designated at fair value through profit or loss		Other financial liabilities		Total balance sheet value	
	at 30.06.12	at 31.12.11	at 30.06.12	at 31.12.11	at 30.06.12	at 31.12.11	at 30.06.12	at 31.12.11
Equity instruments	-	-	-	-	-	-	-	-
Subordinated liabilities	-	-	-	-	1.050.006	1.049.467	1.050.006	1.049.467
Liabilities from financial contracts issued by insurance companies	-	-	613.978	1.239.609	-	-	613.978	1.239.609
<i>from contracts for which the investment risk is borne by policyholders</i>	-	-	320.892	963.677	-	-	320.892	963.677
<i>from pension fund management</i>	-	-	293.086	275.932	-	-	293.086	275.932
<i>from other contracts</i>	-	-	-	-	-	-	-	-
Deposits received from reinsurers	-	-	-	-	170.217	171.542	170.217	171.542
Financial components payable under insurance contracts	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	90.523	99.013	90.523	99.013
Payables to bank customers	-	-	-	-	203.660	228.416	203.660	228.416
Interbank payables	-	-	-	-	-	-	-	-
Other loans obtained	-	-	-	-	124.287	130.192	124.287	130.192
Non-hedging derivatives	44.149	45.826	269	839	-	-	44.419	46.665
Hedging derivatives	9.892	7.649	90.566	53.623	-	-	100.458	61.272
Miscellaneous financial liabilities	-	-	1.770	1.960	521.676	499.535	523.446	501.495
Total	54.041	53.475	706.583	1.296.031	2.160.369	2.178.165	2.920.993	3.527.671

PREMAFIN FINANZIARIA - S.P.A.
Holding di Partecipazioni
CONSOLIDATED FINANCIAL STATEMENTS
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Breakdown of technical insurance items
(Values in €thousands)

	<u>al 30.06.2012</u>	<u>al 30.06.2011</u>
	<u>Net amount</u>	<u>Net amount</u>
Non-Life management		
NET PREMIUMS	3.339.781	3.486.625
a Booked premiums	3.256.339	3.512.405
b Change in premiums reserve	83.442	(25.780)
NET CHARGES RELATING TO CLAIMS	(2.396.075)	(2.626.016)
a Amounts paid	(2.722.140)	(2.746.505)
b Change in claims reserve	208.236	31.034
c Change in recoveries	117.527	89.261
d Change in other technical reserves	302	194
Non-Life management		
NET PREMIUMS	1.585.906	2.549.245
NET CHARGES RELATING TO CLAIMS	(2.051.468)	(2.714.687)
a Sums paid	(3.471.976)	(2.079.877)
b Change in reserve for sums to be paid	(109.974)	20.824
c Change in actuarial reserves	248.379	274.180
d Change in technical reserves where investment risk borne by policyholders and from pension fund management	1.320.352	(927.116)
e Change in other technical reserves	(38.250)	(2.698)

PREMAFIN FINANZIARIA - S.P.A.
Holding di Partecipazioni
CONSOLIDATED FINANCIAL STATEMENTS
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Financial income and charges and income/charges from investments

(Values in €thousands)

Result from investments	Interest	Other income	Other charges	Realised gains	Realised losses	Total realised income and charges	Valuation gains		Valuation losses		Total unrealised income and charges	Total income and charges at 30.06.12	Total income and charges at 30.06.11
							Valuation gains	Restatement of value	Valuation losses	Restatement of value			
a From investment property	465.593	170.891	(54.989)	274.129	(64.777)	790.847	135.655	6.754	(87.785)	(78.930)	(24.306)	766.541	501.453
From equity investments in subsidiaries, associates and joint ventures	-	54.494	(29.390)	17.931	(35)	43.000	-	-	(35.053)	(2.420)	(37.473)	5.527	(28.678)
c From investments held to maturity	-	557	(7.759)	110	(440)	(7.532)	-	-	(12)	-	(12)	(7.544)	14.760
d From loans and receivables	18.108	51	(2)	824	-	18.981	-	-	-	-	-	18.981	18.025
e From available-for-sale financial assets	86.635	24	-	326	(3.381)	83.604	-	6.754	(25)	(1.339)	5.390	88.994	75.162
f From financial assets held for trading	292.414	37.970	(4.433)	110.465	(42.210)	394.206	-	-	-	(75.171)	(75.171)	319.035	321.262
From financial assets designated at fair value through profit or loss	1.068	6	(17)	1.907	(1.152)	1.812	18.927	-	(3.545)	-	15.382	17.194	17.715
Result of miscellaneous receivables	67.368	77.789	(13.388)	142.566	(17.559)	256.776	116.728	-	(49.150)	-	67.578	324.354	83.207
Result of cash and cash equivalents	3.472	-	(15)	-	-	3.457	-	-	-	-	-	3.457	3.170
Result of financial liabilities	7.180	-	(258)	-	-	6.922	-	-	-	-	-	6.922	5.084
a trading	(34.028)	-	(193)	-	-	(34.221)	1.832	-	(17.334)	-	(15.502)	(49.723)	(73.528)
From financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	1.832	-	(17.334)	-	(15.502)	(15.502)	(25.968)
c From other financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Result of payables	(34.028)	-	(193)	-	-	(34.221)	-	-	-	-	-	(34.221)	(47.560)
Total	(2.773)	-	-	46	-	(2.727)	-	-	-	-	-	(2.727)	(3.617)
Totale	439.445	170.891	(55.455)	274.175	(64.777)	764.278	137.487	6.754	(105.119)	(78.930)	(39.808)	724.470	432.562

PREMAFIN FINANZIARIA - S.P.A.
Holding di Partecipazioni
CONSOLIDATED FINANCIAL STATEMENTS
AT 30.06.12

Breakdown of insurance management costs

(Values in €thousands)

	Non-Life management		Life management	
	at 30.06.12	at 30.06.11	at 30.06.12	at 30.06.11
Gross commissions and other acquisition expenses	(590.712)	(643.881)	(55.043)	(90.687)
Investment management expenses	(4.922)	(3.049)	(2.132)	(3.551)
Other	(140.544)	(152.721)	(36.141)	(33.975)
Totale	(736.178)	(799.651)	(93.316)	(128.213)

Breakdown of other comprehensive income

(Values in €thousands)

	Allocation		Adjustments for reclassification to the income statement		Other changes		Total changes		Taxes		Existing	
	at 30.06.12	at 30.06.11	at 30.06.12	at 30.06.11	at 30.06.12	at 30.06.11	at 30.06.12	at 30.06.11	at 30.06.12	at 30.06.11	at 30.06.12	at 30.06.11
	Translation reserve	(13.450)	(24.933)	-	-	-	-	(13.450)	(24.933)	-	-	(68.719)
Profit or loss on available-for-sale financial assets	202.909	(53.812)	92.280	67.660	-	-	295.189	13.848	(149.834)	11.263	(385.028)	(27.691)
Profit or loss on cash flow hedging instruments	(8.014)	8.819	-	-	-	-	(8.014)	8.819	3.389	(3.252)	(46.605)	(17.619)
Profit or loss on instruments hedging a net investment in a foreign-managed portfolio	-	-	-	-	-	-	-	-	-	-	-	-
Reserve from changes in shareholders' equity of investee companies	(3.723)	(515)	-	-	-	-	(3.723)	(515)	-	-	5.232	4.272
Revaluation reserve for intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation reserve for tangible assets	-	-	-	-	-	-	-	-	-	-	(555)	(11)
Income and expenses on non-current assets or in a discontinued group held for sale	-	-	-	-	-	-	-	-	-	-	(10)	(10)
Actuarial gains and losses and adjustments related to defined benefit plans	(3.800)	(246)	-	-	-	-	(3.800)	(246)	1.152	(211)	(23.081)	(12.183)
Other elements	-	2.857	-	-	-	-	-	2.857	-	-	48.450	59.392
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME	173.922	(67.830)	92.280	67.660	-	-	266.202	(170)	(145.293)	7.800	(470.316)	(40.193)

PREMAFIN FINANZIARIA - S.P.A.
Holding di Partecipazioni
CONSOLIDATED FINANCIAL STATEMENTS
AT 30.06.12

Breakdown of financial assets and liabilities by level
(Values in €thousands)

	Livello 1		Livello 2		Livello 3		Totale	
	at 30.06.12	at 30.06.11	at 30.06.12	at 30.06.11	at 30.06.12	at 30.06.11	at 30.06.12	at 30.06.11
Available-for-sale financial assets	16.943.275	16.507.392	735.992	753.370	216.384	214.388	17.895.651	17.475.150
Financial assets at fair value through profit or loss	69.560	22.453	31.941	31.181	-	-	101.501	53.634
	20.933	20.331	7.018.988	8.952.699	-	-	7.039.921	8.973.030
Total	17.033.768	16.550.176	7.786.921	9.737.250	216.384	214.388	25.037.073	26.501.814
Financial liabilities at fair value through profit or loss	-	-	54.041	53.474	-	-	54.041	53.474
	-	-	706.583	1.296.032	-	-	706.583	1.296.032
Total	-	-	760.624	1.349.506	-	-	760.624	1.349.506

PREMAFIN FINANZIARIA - S.P.A.
 Holding di Partecipazioni
 CONSOLIDATED FINANCIAL STATEMENTS
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Breakdown of financial assets and liabilities for level 3

	Financial assets			Financial liabilities	
	Available-for-sale financial assets	Financial assets at fair value		Financial liabilities at fair value	
		Financial assets held for trading	at fair value through profit or loss	Financial liabilities held for trading	designated at fair value through profit or loss
Opening balance	214.388				
Purchases/issues					
Sales/buybacks					
Repayments					
Profit or loss recorded in the income statement	1.996				
Profit or loss recorded in other comprehensive income statement					
Transfers in level 3					
Transfers to other levels					
Other changes					
Closing balance	216.384	-	-	-	-