

FONDIARIA - SAI

SOCIETÀ PER AZIONI

PRESS RELEASE TRANSLATION

***Fondiarria-SAI S.p.A.: Net Profit 174.3 million Euro, in line with forecast.
Positive technical results: profits of 246.9 million Euro in non-life and
60.8 million Euro in the life technical account.
Premiums up at 6,488.6 million Euro (+6.2%)***

Turin, 12 November 2003. The Board of Directors of Fondiaria-SAI S.p.A. met today under the chairmanship of Jonella LIGRESTI and examined and approved the Third Quarter Consolidated Results as at 30 September 2003.

During the first nine months of 2003 Fondiaria-SAI Group has shown a marked improvement over the corresponding period last year, achieving a net profit of 174.3 million Euro against the 70.6 million Euro loss recorded as at 30 September 2002. These results show the first benefits forecast in the Group Business Plan to which all company departments are making important contributions.

The Non-life technical account shows a profit of 246.9 million Euro during the first nine months against a profit of 341.9 million Euro for the corresponding period in 2002 which benefited from a lower valuation of claims reserves in previous years made by the incorporated company La Fondiaria S.p.A. and the subsidiary Milano Assicurazioni S.p.A..

The technical account for Life business shows a profit of 60.8 million Euro, significantly up on the 28.7 million Euro profit recorded as at 30 September 2002, despite being penalized by the loss of portfolio acquired in the past through the San Paolo banking group.

Premiums written as at 30 September 2003 total 6,488.6 million Euro (+ 6.2%). Direct business premiums written amount to 6,453.5 million Euro (+ 6.3%).

Direct Non-life business premiums amount to 4,938.1 million Euro (+ 5.9%), which includes significant contributions from the parent company Fondiaria-SAI (2,746 million Euro +5%) and subsidiaries Milano Assicurazioni (1,295 million Euro +8.25%) and Nuova Maa (563 million Euro +7%).

Premiums from Direct Life business have reached 1,515.4 million Euro (+7.8%), confirming the very promising increase achieved by the parent company (+10.2%) whose contribution amounts to 558 million Euro.

Net income from investments as at 30 September 2003 amounts to 569 million Euro against 8.4 million Euro recorded as at 30 September the previous year. The

improvement is mainly due to the different impact of investment writedowns which penalized the 2002 results.

The Board also noted the sale of part of the Company's real-estate assets, completed during the Fourth Quarter, within the timescale previously made known to the market, and expressed its full satisfaction with the positive outcome.

Turin, 12 November 2003.

FONDIARIA - SAI

S O C I E T À P E R A Z I O N I

Simplified Consolidated profit and loss account

	3° trim. 2003	3° trim. 2002	Gen-Sett. 2003	Gen-Sett. 2002
NON LIFE				
Earned premiums	1.600.964	1.478.160	4.811.328	4.404.308
Claims paid	-1.227.583	-1.128.907	-3.556.408	-3.129.418
Other technical income and expenses	-13.223	-26	-101.621	-54.924
Operating costs	-278.965	-278.079	-906.417	-878.016
Non-life technical result	81.193	71.148	246.882	341.950
LIFE				
Retained premiums	392.386	431.755	1.496.418	1.397.162
Claims expenses and change in technical reserves	-469.073	-516.114	-1.737.957	-1.536.959
Other technical income and expenses	-1.298	-2.622	-9.596	-7.233
Operating costs	-31.485	-32.751	-103.124	-98.009
+ Share of investment income	104.791	73.758	343.573	285.246
Income and unrealized gains net of expenses and unrealized losses on investments for the benefit of life policyholders	4.599	31.106	71.528	-11.510
Life technical result	-80	-14.868	60.842	28.697
Investment income, net of expenses	179.814	-6.583	569.182	8.444
- Share of investment income transferred to the technical account	104.791	73.758	343.573	285.246
Other income, net of expenses	-51.368	-54.639	-141.791	-149.452
Result from ordinary operations	104.768	-78.700	391.542	-55.607
Extraordinary income and expenses	17.655	-18.435	19.451	17.648
Pre-tax result	122.423	-97.135	410.993	-37.959
Tax	-50.949	14.070	-190.781	-30.567
Consolidated result	71.474	-83.065	220.212	-68.526
Profit (loss) minorities	14.726	-10.875	45.868	2.092
Group profit (loss)	56.748	-72.190	174.344	-70.618

Turin, 12 November 2003.