



TRANSLATED PRESS RELEASE

FONDIARIA-SAI S.p.A.: THE BOARD APPROVED THE 1H05 FIGURES. GROUP'S NET PROFIT REACHED EURO 202.4 M. (+40.5%); PARENT COMPANY NET PROFIT UP TO EURO 119.4 M. (+ 46.3 %).

Amounts in € M.	1H05	1H04	Var.%
Fondiaria-SAI Group			
Total Written Premiums	5,204.7	5,078.7	(+ 2.5)
Non Life Technical Result	197.9	167.4	(+ 18.3)
Life Technical Result	34.5	50.1	(- 31.1)
Ordinary Result	356.2	338.6	(+ 5.2)
Consolidated Result	253.5	192.2	(+ 31.9)
Group Net Profit	202.4	144.1	(+ 40.5)
Fondiaria-SAI S.p.A.			
Total Written Premiums	2,716.1	2,565.8	(+ 5.9)
Non Life Technical Result	162.4	137.0	(+ 18.5)
Life Technical Result	12.2	9.2	(+ 32.6)
Ordinary Result	141.1	115.5	(+ 22.2)
Net Profit	119.4	81.6	(+ 46.3)
Cons. Combined Ratio	94.1%	95.0%	

Milan, September 9th, 2005. The Board of Directors of Fondiaria-SAI met today, chaired by Jonella Ligresti and examined the 1H05 results.

Group

1H05 net profit reached € 202.4 m. (€ 144.1 m. in 1H04). Ordinary result increased, reaching € 356.2 m. (€ 338.6 m. in 1H04, + 5.2%).

Gross written premiums totalled € 5,204.7 m. (+2.5% if compared to 1H04).

Direct business in P&C reached € 3,648.3 m., an increase by 1.7%. Technical result confirmed the positive trend of the Non Life business showing a final figure of € 197.9 m. (€ 167.4 m. in 1H04, +18.3%). Group's Combined Ratio confirmed itself at excellence levels, reaching 94.1% vs. 95.0% of the corresponding period of 2004.

Life direct premiums were up to € 1,544.2 m. increasing by 4.8%. This result is mainly due to the traditional networks, as the bancassurance companies results are affected by seasonal trends.

The ratio general expenses over premiums was in line with the corresponding figure of last year, with a total figure of € 790 m. (€ 758 m. as at 6/30/04).

Financial management posted net profits of € 551.0 (+ 17.3%), benefiting from the positive trend of the markets, that enabled also to account net write-ups on investments.

The total figure of investments reached € 27.5 bn. vs. € 26.1 bn. at the end of 2004.

Parent Company

1H05 results, thanks both to the excellent trend in Non Life and to the growth in Life, showed a satisfying net profit of € 119.4 m. (+ 46.3%). Ordinary result increased consistently, reaching € 141.1 vs. € 115.1, an improvement by 22.2%, and was influenced by the positive trend of the financial markets that allowed to post a reduced figure of write-downs on equity if compared to 1H04.

Gross written premiums were up to € 2,716.1 m. (+ 5.9%), of which € 2,006.6 m. (- 0.1%) in Non Life and € 709.5 m. (+ 27.3%) in Life.

As for Non Life, it has to be pointed out that the Motor sector posted € 1,423.1 m. (- 0.7%), while Non Motor reached € 577.3 m. (+ 4.7%). On the whole, the number of reported claims lowered by 3.7%. In Motor TPL the decrease reached 4.4%.

This trend made it possible to reach a very positive technical result, with a further increase if compared to 1H04: € 162.4 (+ 18.5%).

In Life direct business written premiums reached € 701.9 m., showing an increase by 27.2%, thanks also to the active contribution of the agency network. It has to be pointed out the increase of the traditional products (Ramo I) with a growth of 23.4%. Net technical result increased significantly, thanks both to the reduced figure of write-downs and to an enhanced trading activity on the investments portfolio, and totalled € 12.2 (+ 32.4%).

Financial management showed net profits up to € 230.3 m. (+ 8.0%) and benefited from the positive market trend and also from a higher dividend contribution.

The total figure of investments was € 16.0 bn. Vs. € 15.1 bn. at the end of 2004.

IAS

With reference to the transition to the international IAS/IFRS accounting principles, the company drafted the half-year report according to the regulations of art. 81-second of the Issuers Regulations

The half-year report was therefore drafted according to the accounting principles already adopted in the financial statements closing on 31 December 2004 and in the half-year report of 30 June 2004, also in order to obtain a uniformly based historical comparison series.

As required by art. 81-second, we drafted the appropriate schedules for the reconciliation of shareholders' equity at 1st January 2004 (date of transition to IAS/IFRS), at 31 December 2004 and at 30 June 2005, as well as the economic result obtained in the 2004 financial year and of the 1st half-year of 2005. The above documents were therefore determined according to the drafting criteria used with respect to their value assumed according to the international accounting principles IAS/IFRS:

With reference to the values at 30th June 2005, the application of the new accounting principles caused an increase in both shareholders' equity and in the result of the period, gross of minorities, whose values respectively reach the following amounts: € mil. 3,573 and € mil. 298.

At the end of the Board CEO Fausto Marchionni, during a conference call with the financial community, commented some slides that can be seen on the Company's website and that give some additional informations regarding the 1H05 technical trends.

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