



TRANSLATED PRESS RELEASE

FONDIARIA-SAI GROUP: THE BOARD APPROVED THE 3rd QUARTER 2005 IAS/IFRS COMPLIANT CONSOLIDATED RESULTS. CONSOLIDATED PROFIT REACHED € MIL. 448.3 (+31.4%)

Fondiaria-SAI Group	09/30/ 2005	09/30/ 2004	Chg.%
€ million			
Total direct business written premium	6.911,5	7.132,5	-3,1
Consolidated Profit	448,3	341,2	31,4
	09/30/ 2005	06/30/ 2005	
Total investment and tangible assets	30.002,6	29.162,9	2,9
Net technical reserves	24.323,6	23.913,7	1,7

Milan, 10 November 2005. The Board of Directors of Fondiaria-SAI S.p.A., chaired by Jonella Ligresti, met today and approved the consolidated results of the third quarter 2005.

The quarterly report as at 30 September 2005 has been drawn up in compliance with the IAS/IFRS international accounting standards for the first time, with the figures as at 30 September 2004 being re-assessed according to the IAS/IFRS accounting standards (excluding IAS 32 and 39 concerning financial instruments, and IFRS 4 concerning insurance contracts, applied as from 1 January 2005).

Consolidated net profit has risen to € Mil. 448.3 (+31.4%) due to the financial market trend, to high level of efficiency in the claims management process together with the goodwill cancellation the amount of which has been confirmed by the impairment test.

Consolidated gross written premiums, including the Life investment contracts, have recorded a total increase of 4.3%, reaching € Mil. 7,467.1.

Total direct premiums reached € Mil. 6,911.5, showing a decreasing figure if compared to September 04, only because of the application of IFRS 4, that meant the cancellation of Life premiums, instead relevant for Italian GAAP, for € Mil. 504. For the greatest part, these premiums derived from the Bancassurance sector.

Non Life premiums reached satisfying levels and totalled € Mil. 5,171.7, showing an increase of 1.8% if compared to 09/04, posting a technical result equal to € Mil. 325.3 (+ 7% on 2004 figure which was however determined with the exclusion of IAS 32 and 39 concerning financial instruments, and IFRS 4 concerning insurance contracts, applied as from 1 January 2005 and representing an element of inconsistency), confirming the Group's strategy, which through a careful underwriting policy receptive of market trends, combines growth and profitability.

Life business closed the first nine months of the financial year 2005 with a technical result of € Mil. 46.5, compared to the 52.6 recorded in the same period of the previous year. Written Premiums reached € Mil. 1,746.3, featuring a total decrease of 15.2%. Worthy of particular note is the constant growth achieved in the "Ramo I" line of business which confirms the quality of the commercial ventures implemented for the purpose of increasing traditional Life business. The IAS 32 and 39 concerning financial instruments, and IFRS 4 concerning insurance contracts, applied as from 1 January 2005, representing an element of inconsistency, have not been applied to the reclassified 2004 figures.

Total investments amounted to € Mil. 30,002.6 featuring a 2.9% increase compared to the figure reported as at 30 June 2005.

Net income from other financial instruments and real estate investments totalled € Mil. 631.8, while net income from financial instruments at fair value through profit and loss are equal to € Mil. 201.1.

On the whole the Fondiaria-SAI Group 3rd quarter 2005 results show a better situation if compared to September 04, and lead us to confirm the positive forecasts for the current year and, barring extraordinary events, we expect to achieve very satisfactory year-end results.

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 information regarding the 09/05 technical trends.

Ufficio stampa
Federica Dal Conte
+39 02 66704324

Investor Relations
Raffaele Guasco
Giancarlo Lana
+39 011 6657642

FONDIARIA - SAI GROUP

Assets and Liabilities

(Euro thousands)

	09/30/2005	06/30/2005	Chg. %	12/31/2004	01/01/2005
Investments					
Land and buildings (investment properties)	2.127.378	2.121.950	0,26%	2.066.924	2.066.924
Investments in subsidiaries, associated companies and joint ve	62.971	62.970	0,00%	61.987	61.987
Loans and receivables	876.647	815.650	7,48%	544.019	690.601
Held to maturity	0	0	0,00%	0	0
Available for sale	19.866.663	19.138.281	3,81%	17.766.940	18.433.342
Financial assets at fair value through profit or loss	6.677.186	6.629.303	0,72%	5.735.898	5.444.604
Total investments	29.610.845	28.768.154	2,93%	26.175.768	26.697.458
Land and buildings (self used) and other tangible assets	391.782	394.711	-0,74%	405.459	405.459
Total Non current assets	30.002.627	29.162.865	2,88%	26.581.227	27.102.917
Cash and cash equivalents	723.105	917.675	-21,20%	755.797	755.797
Total not current assets and cash anc cash equivalents	30.725.732	30.080.540	2,14%	27.337.024	27.858.714
Net technical reserves					
P&C reserves	10.684.230	10.700.990	-0,16%	10.670.533	10.593.652
Life technical reserves	13.639.419	13.212.732	3,23%	11.226.233	12.339.098
Totale riserve tecniche nette	24.323.649	23.913.722	1,71%	21.896.766	22.932.750
Financial liabilities					
Subordinated liabilities and other similar liabilities	395.160	394.788	0,09%	390.883	393.420
Financial liabilities at fair value through profit or loss	3.219.474	3.129.661	2,87%	3.619.586	2.782.503
Other financial liabilities	1.009.729	1.037.441	-2,67%	995.695	997.561
Total financial liabilities	4.624.363	4.561.890	1,37%	5.006.164	4.173.484

FONDIARIA - SAI GROUP

P&L account

(Euro thousands)

	3rd Q 2005	3° trim. 2004	Jan. - Sept. 2005	Jan. - Sept. 2004
Earned premiums	2.218.255	2.225.446	6.801.506	7.014.611
Fee and Commissions income	15.029	1.900	51.164	12.397
Net income from financial instruments at fair value through profit or loss	28.247	31.478	201.080	145.797
Income from subsidiaries, associated companies and joint ventures	-238	-976	941	1.219
Other income from financial instruments and other investments	230.635	259.608	780.472	875.161
Other income	46.367	23.731	193.607	206.489
TOTAL INCOME	2.538.295	2.541.187	8.028.770	8.255.674
Net insurance benefits and claims	1.790.823	1.857.770	5.680.579	5.920.540
Fee and Commissions payable	23.644	1.299	30.990	7.764
Expenses from subsidiaries, associated companies and joint ventures	0	2	0	6
Other expenses for financial instruments and other investments	43.705	35.851	148.625	207.402
Acquisition and administration costs	304.414	377.693	1.098.142	1.152.932
Other expenses	151.471	60.630	401.408	386.171
TOTAL EXPENSES	2.314.057	2.333.245	7.359.744	7.674.815
PRETAX PROFIT	224.238	207.942	669.026	580.859
TAXES	74.957	89.276	220.726	239.609
PROFIT AFTER TAXES	149.281	118.666	448.300	341.250
PROFIT FROM NON CURRENT ASSETS HFS AND DISCONTINUED OPERATIONS	0	0	0	0
CONSOLIDATED PROFIT	149.281	118.666	448.300	341.250
MINORITY INTERESTS	36.175	15.532	93.185	64.860
GROUP PROFIT	113.106	103.134	355.115	276.390