

FONDIARIA-SAI S.p.A.
RESOLUTIONS OF THE EXTRAORDINARY SHAREHOLDERS' MEETING OF JANUARY 26, 2011

PRESS RELEASE
pursuant to article 114 of Legislative Decree No. 58/98

Torino, January 26, 2011 – The Extraordinary Shareholders' Meeting of FONDIARIA-SAI S.p.A. today approved – subject to authorisation by Isvap – the conferment to the Board of Directors of the Company, in accordance with article 2443 of the Civil Code, of the power to undertake a paid-in divisible share capital increase by December 31, 2011 for a total maximum amount, including any share premium, of Euro 460,000,000.00, through the issue of ordinary and saving shares to be offered as options to ordinary and saving shareholders in proportion to the number of shares held, while authorising the widest possible powers for the Board of Directors to establish, within the limits set out above, the terms and conditions of the share capital increase, including the number and issue price of the new shares.

Following the request from Consob of January 18, 2011 to disclose to the shareholders' meeting – in accordance with article 114, paragraph 5 of Legislative Decree No.58/98 – further information than that provided in the Board of Directors' report of December 21, 2010, the following was disclosed to the shareholders' meeting:

1) Method to establish the share issue price

The Board of Directors will have the power, subject to all legal necessary authorisations, to establish the terms and conditions for the share capital increase and its execution, in accordance with the terms indicated in Paragraph A) of the "Board of Directors' report on the sole matter on the agenda of the extraordinary shareholders' meeting" submitted to you and therefore to establish, even in a relatively short time before the offer of options:

- the share issue price based on the theoretical ex-rights price (TERP) of the FONDIARIA-SAI share and calculated according to current accepted methodologies, discounted by the Board of Directors according to the market conditions at the time of the launch of the operation, on the performance of the FONDIARIA-SAI share in the period preceding the launch, as well as based on market practices for similar operations and the general performance of the Company;
- the exact number of ordinary shares to be issued and the relative number of options.

2) Composition of the consolidated and parent company net debt

The net debt of FONDIARIA-SAI amounts overall to approx. Euro 1,220 million at December 31, 2010, compared to approx. Euro 1,410 million at December 31, 2009 (- Euro 190 million).

Of the approx. Euro 1,220 million:

- approx. Euro 75 million (compared to Euro 255 million at December 31, 2009) comprises short-term debt and relates to a loan provided by Mediobanca, which will be repaid at the end of the current month of January 2011;
- approx. Euro 1,145 million (compared to approx. Euro 1,154 million at December 31, 2009) comprises medium-long term debt. Of this, Euro 900 million relates to subordinated loans (unchanged on December 31, 2009) and the remaining approx. Euro 245 million (compared to approx. Euro 254 million at December 31, 2009) relates to the above-stated medium-long term loans provided to Fondiaria-SAI by subsidiary companies.

The consolidated net debt of the FONDIARIA-SAI Group amounts at December 31, 2010 to approx. Euro 1,560 million (including subordinated loans of approx. Euro 1,041 million), compared to approx. Euro 1,670 million at December 31, 2009 (- Euro 110 million).

Of the Euro 1,560 million, approx. Euro 180 million (compared to approx. Euro 376 million at December 31, 2009) comprises short-term debt, while the remaining approx. Euro 1,380 million (compared to approx. Euro 1,294 million) comprises medium-long term debt.

The overall consolidated net debt relates to the real estate sector for approx. Euro 286 million and the banking sector (Banca SAI and the subsidiary Finitalia) for approx. Euro 155 million.

3) Composition of the guarantee consortium

In relation to the agreements undertaken with Credit Suisse (Europe) Securities Limited, Sole Global Coordinator and Bookrunner, which guarantee the FONDIARIA-SAI share capital increase upon fulfilment of the conditions outlined in the press release of November 22, 2010, on December 22, 2010 the afore-mentioned Credit Suisse announced the addition of Keefe, Bruyette & Woods and The Royal Bank of Scotland N.V. (London Branch) as Joint Lead Managers and Banca Akros S.p.A., the Banca Popolare di Milano Group and Equita SIM S.p.A. as Co-Lead Managers.

4) Shareholders declaring an interest in newly issued shares

No shareholders have declared an interest in subscribing to the newly issued shares except for PREMAFIN FINANZIARIA S.p.A. which, subject to the conditions already announced to the market on November 22, 2010, committed to subscribe to the share capital increase of FONDIARIA-SAI for an amount not lesser than Euro 100 million.

5) Third parties who have declared an interest in subscribing to the share capital increase

No third parties have declared an interest in subscribing to the share capital increase of FONDIARIA-SAI.

6) Impact of the share capital increase on the solvency margin of the FONDIARIA-SAI group

With a full uptake of the share capital increase in the maximum amount executable under the delegation of power by today's shareholders' meeting, the solvency margin would improve by approx. 20 percentage points and, compared to September 30, 2010, considering a full uptake at that date of the share capital increase, the solvency margin would stand at approx. 129%, while in comparison to December 31, 2010, based on the estimates at this date and taking account of the information presently available, this margin would stand at approx. 122%.

7) Propriety of the share capital increase

The proposed amount of the share capital increase is considered proper in that it facilitates, independently of the further non-strategic asset disposal operations, the re-establishment of the Group's solvency margin in line with the fixed risk tolerance objectives of the Group of at least 120%. The share capital increase, in addition, will support the financing of the Company, also considering the imminent introduction of a European regulation regarding the solvency of insurance sector companies which is currently being drawn up.

8) Updates on transactions with "*other related parties*"

No further significant transactions with "*other related parties*" further to those announced to the market, latterly with press release of December 6, 2010, have taken place.

The real estate projects in course continue according to the contracts signed before the most recent disclosure to the market.

The Board of Directors of FONDIARIA-SAI on November 30, 2010 unanimously approved, with prior approval also of the specially constituted Committee comprising only independent directors, the procedure for transactions with related parties in accordance with Consob resolution No. 17221 of March 12, 2010.

The procedure was published on December 1, 2010 on the internet site of the Company and entered into force from January 1, 2011.

The Company has for some time adopted appropriate conduct principles in relation to transactions with related parties. The new updated procedure provides for the lowering of the value thresholds for certain types of transactions, therefore increasing the ambit of qualifiable transactions with related parties in line with the Consob definition cited in the above-stated resolution concerning less significant transactions.

The new procedure defines related parties, the various categories of transactions with related parties within the scope of the regulation and the governance of each of the categories. It also establishes the manner for forming directors' committees called to submit an opinion on individual transactions of greater or lesser significance, as well as the content of such opinions.

In particular, for transactions of greater significance, the appointment from time to time by the Board of a committee comprised of only non-related independent directors is established. Referral to the shareholders' meeting is not established for such transactions of greater significance upon which the committee of independent directors expresses a negative opinion. Without the favourable opinion of the above-stated committee therefore the transaction may not proceed.

For transactions of lesser significance however the prior non-binding reasoned opinion of the Internal Control Committee or the Remuneration Committee is required for resolutions concerning remuneration of the directors of the Company, while such members must respect the regulatory requirements in place regarding the membership of the committees called to express their opinion on transactions of lesser significance.

The procedure, as previously, is applied also to transactions with related parties of FONDIARIA-SAI carried out by subsidiary companies. Further transactions with related parties have been identified in addition to the previous procedures, even if of a minor amount, which establishes for non-listed subsidiary companies and those subject to direction and control the obligation to acquire, in all cases, the prior approval of the Board of Directors of FONDIARIA-SAI.

The document establishes also that on first application the Board of Directors of the Company will re-examine and, where considered necessary, review the procedure by December 31, 2011.

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The Executive Responsible for the preparation of the corporate accounting documents, Pier Giorgio Bedogni, declares in accordance with article 154 bis, paragraph 2, of the Consolidated Finance Act, that the information contained in the present press release corresponds to the underlying accounting documents.

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