PRESS RELEASE

FONDIARIA-SAI S.p.A.:
EXTRAORDINARY AND ORDINARY SHAREHOLDERS' MEETING OF MARCH 19, 2012
RESOLUTIONS

Turin, March 19, 2012 – The Shareholders' Meeting of FONDIARIA-SAI S.p.A. meeting today and chaired by Jonella Ligresti, approved - subject to authorisation by Isvap and in line with that outlined in the Directors' Report to the Shareholders' Meeting of January 29, 2012, to which reference should be made:

1) the cancelling of the indication of the nominal value of ordinary and savings shares of FONDIARIA-SAI, in accordance with Articles 2328 and 2346 of the civil code;

2) the carrying out of a reverse split, on a date to be set in agreement with Borsa Italiana S.p.A. and all other relevant authorities, on the ordinary and savings shares in circulation in the ratio of 1 new ordinary or savings share for every 100 respective ordinary and savings shares;

3) the approval of the issue by the Company of new savings shares (hereafter "Category B Shares") with the same characteristics as the savings shares already in circulation (hereafter the "Category A Shares") with the exception of:
   - the pre-emptive right, following that devolving to Category A shares, of capital repayment up to an amount per share equal to the average par value of shares in the same category, i.e. the ratio existing between the total amount of shares allocated on the subscription of the Category B Shares and the total number of Category B Shares existing (hereafter the "Category B Par Value");
   - a preference dividend, following payment of Euro 6.50 devolving to Category A Shares, up to an amount of 6.5% of the par value of the Category B Shares;
   - a total dividend 5.2% greater than the ordinary shares of the value of the Category B shares;
   - the pre-emptive right, following that devolving to Category A Shares, to repayment of capital, in the case of the winding-up of the company, to an amount per share equal to the par value of the Category B Shares;

4) a divisible paid-in share capital increase for a total maximum amount of Euro 1,100,000,000.00, including any share premium, to be carried out by December 31, 2012, through a rights issue of ordinary shares and Category B shares, with full dividend rights, to be offered to holders of ordinary shares and Category A Shares, in accordance with Article 2441, first, second and third paragraphs of the civil code;

5) to amend the by-law provisions concerning the calling of the Shareholders' Meeting for the approval of the Annual Financial Statements.

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On the request of Consob, in accordance with Article 114, paragraph 5 of Legislative Decree No. 58/98, those attending the Shareholders' Meeting were provided with a supplementation of the Directors' Report to the Shareholders' Meeting, which was read by the Chairman and which is fully reported on below.

1. Detailed account of the use of funds from the capital increase, outlining if such will be used only for purposes of the integration operation with Unipol Gruppo Finanziario S.p.A. and the reasoning behind the operation

The rights issue proposed to the Shareholders' Meeting of Fondiaria SAI of March 16 & 19, 2012 is in the first instance undertaken to strengthen the capital base of the Fondiaria SAI Group, ensuring an increase in the solvency margin to that required by law and guaranteeing the long-term solvency of the Group. This proposal is therefore part of an action plan as per Articles 227 and 228 of Legislative Decree 209/05, requested by ISVAP in communication of January 10, 2012, which noted the significant shortfall in the adjusted solvency margin of the Company. The funds deriving from the capital increase will essentially ensure the stable and long-term solvency of the Company.
On January 29, 2012, on the approval by the Board of Directors of the capital increase proposal, the Company received news of the agreement reached on the same day between the parent company Premafin and Unipol Gruppo Finanziario (UGF), which establishes, among other issues, the integration of Premafin, Fondiaria SAI, Milano Assicurazioni and Unipol Assicurazioni.
Therefore at the January 29, 2012 meeting, the Board decided to begin the preliminary activities concerning analysis of the integration project. These activities are currently underway.
On the same date, Mediobanca – which at the end of December was appointed to organise the underwriting syndicate for the proposed capital increase approved by the Board of Directors on December 23, 2011 for a maximum amount of Euro 750 million - drew up a new proposal for the structuring of the capital increase underwriting syndicate, which in light of the agreement between Premafin and Unipol, considered also the completion of the integration project.
The capital increase proposal is therefore viewed as part of the wider integration project with the Unipol Group, who consider that the integration itself will enable a further capital strengthening of the resulting group. In light of this, in the press release of March 15, 2012, UGF published the first targets of the new entity headed by UGF under the operation. As stated in the above-mentioned press release these estimates have not yet been shared with Fondiaria-SAI and therefore subject to further valuation and analysis together with the management of the Company.
The proposal to shareholders is independent of – and subject to approval by Isvap – the integration operation as the capital strengthening underlying the share capital increase is necessary even in the absence of the integration, whose execution is subject in any case to the fulfilment of the conditions established in the above-stated agreement. If the integration project should no longer be possible, Fondiaria SAI will without delay seek the necessary authorisation for the capital increase.

2. Possible consequences following non fulfilment of the conditions of the integration agreement with UGF, in particular on the establishment of the underwriting syndicate organised by Mediobanca S.p.A.

The preliminary commitments undertaken by Mediobanca and the banks expressing availability to participate in the capital increase underwriting syndicate are based on the completion of the proposed integration operation and having currently not provided a similar guarantee to the Company on a stand alone basis.

Therefore, the availability of the banks is, among other issues, based on the completion of the integration project.

3. **Directors' considerations on the request from the Chairman and Chief Executive Officer of Premafin Finanziaria – Holding di Partecipazioni S.p.A. to evaluate "*if in light of the strong market performance and the improved operating performance of Fondiaria SAI in the first months of the year, based on an updating of the consolidated solvency situation, does the amount of the capital increase appear appropriate to shareholders?*".**

The Board of Directors' meeting of March 15, 2012 reviewed also in light of the requests made by the Parent Company Premafin with the letter of March 6, 2012, the analysis made by the advisors Goldman Sachs and Citi, which, within the current market environment, analysed the current development of the Company's consolidated solvency margin and the impact in relation to various levels of recapitalisation.
The Board of Directors, taking into consideration the temporary benefits as per ISVAP Regulation 37/2011, the persistent volatility of equity, corporate and government bond markets, as well as the necessity to ensure a stable and long-term capital base, considered, after consulting with the advisors, not to modify the amount of the proposed capital increase.
The proposed amount of the capital increase would result in a pro-forma adjusted solvency margin at December 31, 2011 of 125% while, based on the stock market values of March 8, 2012, the margin would stand at 136.5% - in any case above the risk tolerance objective established by the Board of 120%.

4. **Indicate the latest date by which the capital increase may take place while ensuring optimal exercise conditions.**

The applicable regulation establishes that the company must "*present within an acceptable time period, without prejudicing the interests of policyholders and others protected by insurance guarantees, an action plan which identifies the causes of the deficiency and outlines the actions which the company must undertake to achieve, within a pre-established time period, the restoration of the adjusted solvency situation and the guarantee of future solvency*" (Article 227 of Legislative Decree 209/05). ISVAP has restated the necessity to proceed without delay with the capital strengthening operations, without however identifying a final date for completion.
Based on the time periods put forward to date, it is expected that the capital increase will take place in May of this year. This timeline assumes that by this date the conditions of the Premafin and Unipol agreement and the terms and conditions of the integration with Unipol will be satisfied.

5. **Provide updates to the consolidated data at December 31, 2011, indicating the updated adjusted solvency conditions at this date.**

Reference should be made to the press release of March 15, 2012, which reports the 2011 results.

6. **Provide and comment upon the pro-forma financial statement impact of the capital increase on the issuer, in addition to the solvency margin of the Fondiaria SAI group.**

As indicated in the Directors' Report of January 29, 2012 to the Shareholders' Meeting, all the necessary information to measure in percentage terms the pro-forma effect of the capital increase operation is currently not available. However, it may be estimated that – net of transaction costs – the operation, fully subscribed, would result in:

- a capital strengthening of approx. Euro 1,040 million;
- financial and income effects, depending on the utilisation of financial resources deriving from the capital increase which, taking account of current market conditions, may amount to approx. Euro 40 million, gross of the tax effect.

7. Provide evaluations in relation to the integration project with UGF, specifying the principal synergies and possible difficulties, both in industrial terms and in capital and financial strengthening terms.

Based on the preliminary evaluations carried out, with the support of the appointed adviser Goldman Sachs, on January 29 on the first review of the agreements reached between Premafin and UGF, it was established that – from an industrial viewpoint – the integration would create the largest Non-Life insurance provider in Italy with a market share of approx. 30% (2010 data). In the Life sector, the new entity would hold a market share of 7% (2010 data).
More generally, the integration would create one of the largest European insurers with approx. Euro 20 billion of consolidated premiums in 2011, in addition to a potential re-rating of the earnings multiples, following the recapitalisation and simplification of the Group structure.
The preliminary review phase of the industrial profiles and potential synergies stemming from the operation – in addition to the share swap ratio of the integration – is currently underway. The Board to date has not passed any resolutions in this regard.

8. Indicate initiatives which may be undertaken by the Company if the integration operation is not completed.

The Board of Directors of the Company has committed to monitor the fulfilment of the conditions on which the completion of the agreement signed on January 29, 2012 between the parent company Premafin and UGF is based.
In any case, if the Company becomes aware of the existence of issues such as to put at risk the completion of the integration, in a timely manner it will evaluate all appropriate initiatives to ensure completion of the proposed capital increase, considering the possibility to renegotiate the agreements for the organisation of an underwriting syndicate, however within the ambit of a wider rescue plan which conforms with sector regulations.

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The Shareholders' Meeting was informed that the Board of Directors approved in the meeting of March 15, 2012, an industrial plan on a "stand alone" basis, prepared together with a leading industrial advisor.

In particular, the plan was drawn up in order to: i) provide the necessary data for impairment tests and ii) provide the necessary data to establish the share swap ratio of the merger within the integration project with UGF, in order to utilise, under the terms which will be negotiated, prospective methods.

As announced in this morning's press release, the principal targets to 2014 of the Fondiaria-Sai "stand alone" industrial plan approved by the Board of Directors on March 15, 2012 include:

- *Combined Ratio* of 96.2%, which considers also the improvement of the operating cost structure for approx. Euro 100 million;
- Net profit, before minority interest share, of approx. Euro 400 million;
- *Solvency Ratio* of above 150%.

The consolidated solvency margin of Fondiaria-Sai is 78.2% at December 31, 2011, with an impact from Isvap Regulation 37 of 23.5 percentage points; also at December 31, 2011 but considering stock market values at March 8, 2012 – thanks to the recent recovery of the financial markets and without taking into account the result for the period – the consolidated solvency margin would be approx. 90% and an impact of Regulation 37 of 5.8 percentage points.

Based on this data, the consolidated solvency margin of Fondiaria-Sai reports a pre-capital increase deficit compared to the minimum margin required (100%) of approx. Euro 480 million at December 31, 2011 and approx. Euro 240 million also at December 31, 2011, but utilising stock values at March 8, 2012.
The pro-forma consolidated solvency margin of Fondiaria-Sai at December 31, 2011, for the capital increase of Euro 1.1 billion approved today by the Extraordinary Shareholders' Meeting, would total 125% and, considering market values at March 8, 2012, taking account of the recent market recovery and without considering the result for the period, the margin would stand at 136.5% with a theoretical excess on the minimum required 100% of approx. Euro 810 million.

Within the integration operation proposed by UGF and based on the above-stated parameters, the stand alone effect of the incorporation of Premafin into Fondiaria-Sai would result in a reduction in the consolidated solvency margin of 16 percentage points. This impact takes account of the debt position of Premafin of September 30, 2011, without considering the outcome of the current debt restructuring negotiations.

The withdrawal pursuant to the civil code of the shareholders of Premafin would have an impact on the consolidated solvency margin of the resulting entity from the incorporation of Premafin into Fondiaria-Sai of approx. 5 percentage points, assuming that all current Premafin shareholders exercise the right to withdrawal at the average Premafin share price over the last 6 months.

In relation to the possible share swap values between Companies involved in the proposed merger operation it should be noted that any considerations are premature as the relative procedures are in course and strictly related to the current due diligence activities.

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The Shareholders' Meeting approved a reduction in the number of Board of Director members from 19 to 18 following the resignation of Ms. Giulia Maria Ligresti.

The Meeting also approved the appointment to the Board, until expiry of the mandate of the entire board, of Messrs. Roberto Cappelli, Ranieri de Marchis and Salvatore Militello, whose appointment by the Board of Directors on August 2, 2011 expires at today's meeting.

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Closing the meeting, the Chairman of Board of Statutory Auditors Mr. Benito Giovanni Marino presented, and filed at the Company, the Board of Statutory Auditors' Report following the request in accordance with Article 2408 of the civil code presented to the Board by the shareholder Amber Capital Investment Management.

The report is published on the Company internet site.

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