PRESS RELEASE

FONDIARIA-SAI S.p.A.: 2011 PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS APPROVED.

Milan, March 27, 2012. The Fondiaria-SAI S.p.A. Board of Directors, chaired by Jonella Ligresti, met yesterday and reviewed and approved the 2011 consolidated and parent company financial statements.

The data is unchanged on that announced previously on March 15, 2012.

The consolidated and separate financial statements approved today by the Board of Directors will be available to the public in the terms prescribed by current regulations at the registered office and at Borsa Italiana S.p.A..

On the request of Consob however some parts of the Notes to the Consolidated Financial Statements concerning the elements affecting the result for the year are provided in advance.

1. Measurement of the fair value of financial instruments

The valuation methods of the AFS financial instruments portfolio and the relative impairment policies have not changed in 2011 and are therefore the same as those used in 2010.
The determination of the fair value of the financial instruments is based on the going concern of the company and the Group.

Impairment on financial instruments belonging to the AFS segment

In relation to the recording of losses for the reduction in value, we report that paragraph 59 of IAS 39 provides indicators of a possible reduction in qualitative factors such as:

- significant financial difficulties of the issuer;
- non contractual compliance or non payment of interest or capital;
- the risk of commencement or the commencement of receivership of the issuer;
- the elimination of an active market for the financial assets subject to valuation;
- data which indicates the existence of a significant decrease in the future financial cash flows estimated for a group of financial assets, including:

FONDIARIA-SAI S.p.A.
Sede Legale e Direzione Torino
10126 - Corso Galileo Galilei, 12
Tel. (+39) 011.6657111 - Fax (+39) 011.6657685
www.fondiaria-sai.it

Direzione Firenze
50129 - Via Lorenzo il Magnifico, 1
Tel. (+39) 055.47941
Fax (+39) 055.476026

Capitale sociale € 494.731.136,00 int. vers. - Numero di iscrizione al Registro delle Imprese di Torino, Codice Fiscale e Partita I.V.A. 00818570012 - Impresa autorizzata all'esercizio delle assicurazioni (art. 65 R.D.L. 29-4-1923 n. 966) - Iscritta alla Sez. I dell'Albo Imprese presso l'Isvap al n. 1.00006 - Società capogruppo del gruppo assicurativo Fondiaria-SAI, iscritto all'Albo dei gruppi assicurativi al n. 030

- unfavourable changes in the payments of the beneficiaries in the Group;
- local or national economic conditions which are related to the non compliance of the activities within the Group.

Paragraph 61 of IAS 39 states that the reduction of value of an instrument represented by capital includes information on important changes with an adverse effect on the technological, market, economic or legal environment in which the issuer operates; in addition a prolonged and significant reduction of the market value of an equity instrument below the original purchase cost constitutes evident impairment.
Therefore for the purposes of the recording of the reduction of value, the Group has defined the conditions of a prolonged and significant reduction of fair value, defined alternatively as follows:

1. A reduction of the market value above 60% of the original cost at the reporting date of the accounts;
2. A market value continuously lower than the original book value, for a period of two years.

Where the above stated conditions exist, the entire negative reserve is recognised to the income statement.
The impairment policies on AFS financial instruments also have not changed on those used in 2010.
Overall the impairment on AFS financial instruments amounts to Euro 373 million, of which Euro 156 million concerning Greek Government securities.

2. Impairment on Goodwill, with particular reference to the subsidiary Popolare Vita

The impairment test carried out on the goodwill recorded in the Consolidated Financial Statements confirmed its recoverability with the exception of Popolare Vita, in which an impairment of Euro 101 million was recognised.

Popolare Vita in 2011 reports a significant slowdown. As the possibility no longer exists to utilise the cash flows from the original industrial plans as a basis for the test (as no longer applicable) and as forecasts for the coming 3-5 years are not available, it was not considered possible to reliably estimate the value in use based on the above-stated plans.

Therefore for the purposes of the impairment test at December 31, 2011, it was considered appropriate to determine the fair value of Popolare Vita as an alternative to the value in use to measure the recoverability of goodwill. Two separate valuation methods were used. Firstly, the comparable transactions multiple method was used, and in particular, the Goodwill/Gross Premiums and Price/Net Equity multiple concerning a sample of transactions on the Italian market in the 2008-2011 period. In particular, the multiples considered are 22.2% for Goodwill/Gross premiums and a ratio of 1.76 for Price/Net equity.

Based on the application of the method outlined above, a recoverable value of the investment of Euro 556.7 million and Euro 510.1 million were calculated, respectively based on the Goodwill/Gross Premiums multiple and the Price/Net equity multiple. The average of the two values therefore established a value of Euro 533.4 million which was deemed to be the recoverable value of the investment and therefore of the related goodwill. This resulted in a write-down of the goodwill of Euro 101 million.

Secondly, as a further support, a valuation was acquired from an independent expert to establish the appraisal value of the subsidiary considering the possible exercise of the sales option to the second largest shareholder of the Company under the shareholders' agreement signed on September 7, 2007. This valuation was undertaken to establish:

- the embedded value at 31/12/2011;
- the goodwill at 31/12/2011 as the sum of the value of new future business based on products sold in 2011, of the respective new business costs and volumes forecast over 6 years and the Terminal Value utilising a Perpetuity Growth Model of the added value of the new business in the last year. The range identified covers the recoverable value of Euro 533 million established by the first method.

In order to further support the conclusions reached, the Appraisal Value of the subsidiary utilising a time period coinciding with the distribution agreement (and therefore until 2017) was adopted as a control method. In this case, the control approach adopted the value in use criteria and the components considered in order to apply the Appraisal Value were the following:

1. Adjusted Net Asset Value at December 31, 2011;
2. Value of in force business at December 31, 2011;
3. New Business value (or "Goodwill") to maturity (2017).

The New Business Value estimate was made utilising the 2011 new business data and assuming a reasonably sustainable development of premiums written for the next 6 years, leaving new business profitability at the 2011 level. The estimate of the benefit deriving from the outsourcing contract between the Parent company and the subsidiary was added to the Appraisal Value obtained. For these purposes, the 2012-2017 future cash flows were discounted estimated based on the net revenue data for 2011.

Finally, thanks to the changed economic and financial environment, a 3-year industrial plan was drawn up together with the banking partner, which gives new life to the initiative.

In relation to the methods utilised to measure the recoverability of goodwill other than Popolare Vita, these were the same as those used in the previous year.

3. Property impairments

Total impairments of the property portfolio at consolidated level amounted to Euro 342 million and include depreciation of Euro 76 million in the year.
For the Parent Company, these write-downs amounted to Euro 51 million.

The lower value attributed to property compared to the prior year valuations follows the changed economic-financial environment (increase in interest rates and difficulties in achieving sustainable profit levels), in addition to the consequent need to undertake a more prudent valuation - although utilising similar methods - in order to obtain a fair market value of the assets held. Considering also the difficulties in acquiring credit by real estate operators and the significant slowdown in demand, the Group adopted a more prudent valuation for property with unsatisfactory profitability and for development initiatives which are affected by greater uncertainty concerning their completion.
The property portfolio was impacted by the international financial crisis which resulted in a decline in the market value of properties, with an increase in the risk perception of investors and in the expected profit from such investments. This resulted in a reduction of expected income for vacant buildings or for development areas by the Group's valuers and an increase in the discount rates and the exit yield in the DCF utilised principally for the valuation of the assets, compared to that utilised in valuations in the previous year with a consequent reduction in the market value of property and the imposition of write-downs on the book value. In particular, the property portfolio of the Fondiaria SAI Group reports a decrease in the market value of 9.8% between the end of 2009 and the end of 2011 (-9.4% in 2011). A similar decline was reported over recent years also for the Italian property market as a whole.

In 2011, the Group decided to award the property portfolio valuation appointment to a different set of experts in order to rotate according to best market practices.
The choice criteria for the experts were as follows:

- leading experts who work with the principal market players (independent experts involved with the largest Italian property funds);
- the experts chosen have had limited or practically no assignments with the Group in past years (with the exception of Praxi S.p.A.);
- the experts chosen in 2011 were: DTZ Italia S.p.A., Avalon Real Estate S.p.A., Patrigest/Abaco and the company Praxi S.p.A.

In 2010, the valuations were carried out respectively by Scenari Immobiliari and the company Praxi S.p.A.
The change of experts also resulted in, for some buildings, an alteration in the valuation method on the past from - in a number of cases - a comparative criteria method (Euro per sq.m.) to a Discounted Cash Flow method (DCF), in particular for a number of entirely owned buildings and for non-residential use.

Below the most significant write-downs by asset class are reported:

- Tourism-hotel complexes (write-down of Euro 101 million): The reduction in the market value of these buildings is particularly due to the crisis which hit the hotel sector, leading to a more prudent estimate of the buildings by the experts, with an increase in the discount rate, as well as the exit yield of the DCF utilised for the valuation of the assets. The tourism-hotel complex category includes also the company Marina di Loano, whose lower market value compared to 2010 is due in particular to the current boating market climate which has impacted yacht berth demand. This resulted in a more prudent estimate for the sales outlook compared to previous years.
- Purchase of off-the-plan properties (write-down of Euro 54 million): considering the advanced state of work on these assets, the problems arise from the completion of a number of assets according to the initially envisaged usage and for which a strategy for the completion of works is underway; considering also the opinions received at year-end it was decided to write-down the above stated property initiatives, which discounted in particular the risks concerning the revenue earning capacity of such assets.
- Land (write-down of Euro 60 million): the uncertainty surrounding the completion of property developments, in addition to the more prudent parameters used by the independent experts based on the slowdown stemming also from the tightening of credit, resulted in a decrease in the expert valuations with consequent write-downs. In particular, in relation to the property development initiative in the Castello area of Florence (Proprietà Nuove Iniziative Toscane) the valuation of Praxi at December 31, 2011, compared to that carried out by Scenari Immobiliari at December 31, 2010, resulted in a decrease in the market value attributed to the area, within the Executive Urban Plan, of approx. Euro 100 million (a decrease due to the greater prudency adopted by the expert concerning the unitary construction and completion costs, to the unitary sales revenues expected, to the discounting rate and the period for the completion of the operation, given the continued sequestration of the area), resulting in a write-down of Euro 27 million.
- Offices (write-down of Euro 34 million): as highlighted in relation to the tourism-hotel complexes, the property market crisis resulted in an increase by the independent experts of the discount rates used for the DCF as well as a lower estimate of the value of offices compared to those of 2010 (example: the building located in Milan – Melzi d'Eril). In addition to these factors, a decrease in the market value was recorded to nearly vacant or totally vacant buildings (in particular in Milan - Torri di Val Formazza, the buildings located in Via Medici del Vascello, the property complex in Via Amidani as well as those located at Via dei Missaglia).
- Other categories (write-downs of Euro 17 million).

4. MOTOR TPL CLAIMS RESERVE

As announced in the press release of March 15, 2012, the total revaluation of the prior year claims reserve for managed claims amounted to Euro 810 million (in line with that announced to the market on January 30, 2012), of which Euro 476 million concerning Fondiaria-SAI, Euro 308 million concerning Milano Assicurazioni and Euro 26 million concerning the other Group companies. As for the first estimate carried out (and announced to the market on December 23, 2011), which reported a revaluation of Euro 660 million, this was a provisional valuation carried out based on the data available at that time, therefore before the effective availability of the technical parameters concerning the 2011 year-end accounts. The additions made refer to the prior year claims (2010 and before).

To understand the basis of these results, issues (such as the result of the Isvap inspection at the Parent Company and concerning the claims cycle outlined below) which are at least partly linked affected the past year:

- Review of the Claims Reserve construction process, focusing particularly on the role of the Settlement Network, required in the final part of the year to closely review the residual technical reserves for each claim recognised. The inventory-taking concluded in November 2011 highlighting an extensive request for strengthening by liquidators of the prior year generation claims reserves (2010 and before), respectively for Fondiaria-SAI of Euro 341 million and for Milano of Euro 94 million in relation to impact on the Reserve recorded to the Financial Statements. This need was due to: --
  - organisational issues related to greater control and attention on the service quality of settlement agents and in particular, the development of a central Claims Management centre with specific regard for claims in long-term dispute or concerning significant amounts as relating to death or a number of counterparties;
  - regulatory and judicial developments, with gradual extension of the use of the non-property damage settlement tables also in light of the Cassation Court judgment of June 2011 which adopted as a basis the Milan Court tables.

- Adjustment of the actuarial models utilised. As required by a multi-stage settlement process, once the inventory-taking activity is completed by the settlement agents, the revaluation of the Claims Reserves is carried out by the application by the appointed employees of the actuarial models to ensure the valuation of the reserve under the Last Cost Method (therefore taking account of the probability that the claim is not entirely settled in the subsequent year, but may be settled also over one or more subsequent years). In 2011:

- a more responsive and weighted actuarial model was utilised, establishing the same approach both for Fondiaria-SAI and for Milano; in particular the Fisher Lange (weighted at 35%) and the Chain Ladder Paid (weighted at 65%) methods were used;
- a specific focus was placed on the close and prudent selection of the parameters applied to the models, utilising historical series considered reliable and repeatable;
- the updating and validation of the models, in line with the management of claims from 2007 broken down between CARD and No CARD;
- the use of an approach based on historical series including late claims enabled the estimate of a reserve amount including the IBNR provision, which in previous years was subject to separate valuation.

■ Claims task force coordinated by the Risk Management department. The initiative in this case was to undertake a number of activities, both operational and non operational, to strengthen the controls and assessments of the claims management and settlement procedures, therefore consolidating the claims database.

The above stated actions were taken also in light of that outlined in the Report of the Supervisory Institute sent to the Group respectively on September 29, 2011 for Fondiaria-SAI (following the inspection carried out in 2011 on the Motor TPL claims cycle) and on November 17, 2011 for Milano, which highlighted in relation to December 31, 2010:

■ "irregularities and failings deriving from the absence of formalised and adequate control system procedures" in relation to both the management and settlement of claims operations and for the inventory-taking activities;
■ observations in the calculations of the actuarial models, highlighting irregularities in the statistical projections.

At the conclusion of this phase of the process, the revaluation in the Financial Statements of the Motor TPL reserves for the prior year claims managed (therefore 2010 and before) was the following:

■ Euro 476 million for Fondiaria-SAI (with an additional Euro 135 million under the last cost criteria, in comparison to the revaluation proposed by the settlement agents);
■ Euro 308 million for Milano Assicurazioni (with an additional Euro 214 million under the last cost criteria, in comparison to the revaluation proposed by settlement agents);
■ Euro 26 million concerning the smaller Group companies;
■ For a total of Euro 810 million, in line with that announced to the market on 30/1/2012.

5. SHADOW ACCOUNTING

As was the case in previous years and concerning only the consolidated accounts, in order to provide greater disclosure of the data application was made of paragraph 30 of IFRS 4 to correlate the value of the actuarial reserve relating to the discretional profit participation contracts of the policyholders (including the separated management in the Life Division) with the value of the relative assets determined in accordance with IAS 39.
The securities included in the separated management of the Life Division are included in fact in the "available-for-sale" category, or in the category "fair value through the profit or loss" and, as such, are valued at fair value, recording an increase in equity or in the result for the period of the difference between the fair value and the carrying value determined in accordance with Italian GAAP.
Therefore, the return on the securities included in the separated management determines the returns of the policyholders and the impact on the amount of the actuarial reserve.

The technical reserves were adjusted for the contracts inserted in the separated management in accordance with the valuation of the related assets, recording the difference in equity (or through the income statement); in this manner the technical reserves of these contracts take into account the share of the policyholders of the latent gains and losses of the securities assigned to the separated management. Finally, based on the contractual clauses and current regulations, these differences are recognised to the policyholders only when realised with the sale of the relative assets.

For these purposes the Group took a period for the realisation of gains and losses on separated management financial instruments of between 2 and 7 years, in line with the duration of the insurance liabilities.

It should be noted that the recognition method is adopted in the limits of safeguarding the minimum guaranteed return contractually, within each separated management, for each minimum guaranteed line, in order not to infringe on the rights of the policyholders. The above-mentioned accounting treatment reduces, although partially, the valuation mismatch between assets and liabilities and within the minimum reserve levels emerging from the adequacy tests of the liabilities.

In any case the technical reserves of the Life Division belonging to the separated management and recorded to the consolidated financial statements were not lower than the minimum reserves calculated in accordance with the Liability adequacy test established by paragraph 15 and subsequent of IFRS 4.

The Board of Directors today reviewed the Board of Statutory Auditors' report concerning the notification as per Article 2408 of the civil code presented by a shareholder and approved further investigations, also according to the conclusions drawn up by the Board of Statutory Auditors. For these purposes an Independent Directors' Committee was tasked with the identification of the independent experts which, from an economic, real estate and legal viewpoint, may assist the Company in the analyses.

The Executive Responsible for the preparation of the corporate accounting documents, Massimo Dalfelli, declares in accordance with Article 154 *bis*, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in the present press release corresponds to the underlying accounting documents, records and accounting entries.

The condensed parent company balance sheet and income statement are attached, in addition to the consolidated balance sheet, income statement, comprehensive income statement and segment income statement.

Press Release
Tel. +39 02-64029101

Investor Relations
Robert Tann
Giancarlo Lana
Floriana Amari
Tel. +39 011-6657642
Tel. +39 02-64022574
investorrelations@fondiaria-sai.it

AD Hoc Communication Advisor
Tel. +39 02-7606741
Sara Balzarotti
Mob. +39 335 1415584
Pietro Cavalletti
Mob. +39 335 1415577

BALANCE SHEET - ASSETS

(Euro thousands)

		2011	2010
1	**INTANGIBLE ASSETS**	**1.462.890**	**1.587.734**
1.1	Goodwill	1.367.737	1.468.570
1.2	Other intangible assets	95.153	119.164
2	**PROPERTY, PLANT & EQUIPMENT**	**401.744**	**594.334**
2.1	Buildings	315.500	500.691
2.2	Other tangible assets	86.244	93.643
3	**TECHNICAL RESERVES – REINSURANCE AMOUNT**	**701.880**	**823.184**
4	**INVESTMENTS**	**33.789.332**	**36.013.873**
4.1	Investment property	2.759.245	2.894.209
4.2	Investments in subsidiaries, associates and joint ventures	116.558	325.369
4.3	Investments held to maturity	599.713	592.138
4.4	Loans and receivables	3.688.865	3.159.211
4.5	AFS financial assets	17.598.287	20.302.882
4.6	Financial assets at fair value through the profit or loss account	9.026.664	8.740.064
5	**OTHER RECEIVABLES**	**2.340.741**	**2.314.375**
5.1	Receivables from direct insurance operations	1.698.430	1.747.611
5.2	Receivables from reinsurance operations	78.637	101.773
5.3	Other receivables	563.674	464.991
6	**OTHER ASSETS**	**1.803.440**	**996.064**
6.1	Non-current assets or of a discontinued group held for sale	87.151	3.452
6.2	Deferred acquisition costs	30.301	87.603
6.3	Deferred tax assets	1.155.060	361.195
6.4	Current tax assets	316.208	387.573
6.5	Other assets	214.720	156.241
7	**CASH AND CASH EQUIVALENTS**	**976.582**	**625.940**
	TOTAL ASSETS	**41.476.609**	**42.955.504**

BALANCE SHEET – SHAREHOLDERS' EQUITY & LIABILITIES

(Euro thousands)

		2011	2010
1	**SHAREHOLDERS' EQUITY**	**1.556.708**	**2.550.105**
1.1	**Group**	**1.036.952**	**1.882.127**
1.1.1	Share Capital	494.731	167.044
1.1.2	Other equity instruments	0	0
1.1.3	Capital reserves	315.460	209.947
1.1.4	Retained earnings and other reserves	1.834.570	2.620.792
1.1.5	(Treasury shares)	-213.026	-321.933
1.1.6	Translation reserve	-56.772	-56.598
1.1.7	Profit or loss on AFS financial assets	-478.283	-34.759
1.1.8	Other gains and losses recorded directly in equity	-7.009	15.216
1.1.9	Group net loss	-852.719	-717.582
1.2	**minority interest**	**519.756**	**667.978**
1.2.1	Minority capital and reserves	903.659	902.126
1.2.2	Gains and losses recorded directly in equity	-201.984	-22.869
1.2.3	Minority interest loss	-181.919	-211.279
2	**PROVISIONS**	**322.310**	**340.637**
3	**TECHNICAL RESERVES**	**35.107.505**	**34.827.972**
4	**FINANCIAL LIABILITIES**	**3.143.273**	**3.850.106**
4.1	Financial liabilities at fair value through profit or loss account	1.303.886	1.646.935
4.2	Other financial liabilities	1.839.387	2.203.171
5	**PAYABLES**	**792.090**	**836.934**
5.1	Payables from direct insurance operations	78.999	91.887
5.2	Payables from reinsurance operations	84.912	106.862
5.3	Other payables	628.179	638.185
6	**OTHER LIABILITIES**	**554.723**	**549.750**
6.1	Liabilities in a discontinued group held for sale	0	0
6.2	Deferred tax liabilities	133.452	132.060
6.3	Current tax liabilities	16.522	54.306
6.4	Other liabilities	404.749	363.384
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**41.476.609**	**42.955.504**

INCOME STATEMENT

(Euro thousands)

		2011	2010
1.1	Net premiums	10.527.344	12.585.297
1.1.1	*Gross premiums written*	*10.850.258*	*12.911.503*
1.1.2	*Premiums ceded to re-insurers*	*-322.914*	*-326.206*
1.2	Commission income	24.433	57.317
1.3	Income and charges from financial instruments recorded at fair value through profit or loss	321.699	395.283
1.4	Income from investments in subsidiaries, associates and joint ventures	826	55.795
1.5	Income from other financial instruments and property investments	1.189.659	1.281.397
1.5.1	*Interest income*	*827.269*	*722.345*
1.5.2	*Other income*	*149.550*	*167.637*
1.5.3	*Profits realised*	*212.535*	*390.939*
1.5.4	*Valuation gains*	*305*	*476*
1.6	Other revenues	666.720	556.503
1	**TOTAL REVENUES AND INCOME**	**12.730.681**	**14.931.592**
2.1	Net charges relating to claims	-10.240.770	-12.152.941
2.1.2	*Amounts paid and changes in technical reserves*	*-10.406.857*	*-12.341.912*
2.1.3	*Reinsurers' share*	*166.087*	*188.971*
2.2	Commission expenses	-15.855	-28.421
2.3	Charges from investments in subsidiaries, associates and joint ventures	-22.132	-55.279
2.4	Charges from other financial instruments and property investments	-995.647	-815.311
2.4.1	*Interest expense*	*-76.941*	*-80.414*
2.4.2	*Other charges*	*-69.450*	*-78.146*
2.4.3	*Losses realised*	*-142.293*	*-166.095*
2.4.4	*Valuation losses*	*-706.963*	*-490.656*
2.5	Management expenses	-1.875.313	-1.920.182
2.5.1	*Commissions and other acquisition expenses*	*-1.406.623*	*-1.426.987*
2.5.2	*Investment management charges*	*-16.016*	*-14.377*
2.5.3	*Other administration expenses*	*-452.674*	*-478.818*
2.6	Other costs	-1.038.599	-967.183
2	**TOTAL COSTS AND CHARGES**	**-14.188.316**	**-15.939.317**
	LOSS BEFORE TAXES	**-1.457.635**	**-1.007.725**
3	Income tax	**392.147**	**77.102**
	NET LOSS FOR THE YEAR	**-1.065.488**	**-930.623**
4	**PROFIT FROM DISCONTINUED OPERATIONS**	**30.850**	**1.762**
	CONSOLIDATED LOSS	**-1.034.638**	**-928.861**
	group share	-852.719	-717.582
	minority share	-181.919	-211.279

OPERATING EARNINGS/(LOSS) PER SHARE (in Euro)	-3,96	-6,54
OPERATING DILUTED EARNINGS/(LOSS) PER SHARE (in Euro)	-3,96	-6,54
EARNINGS/(LOSS) PER SHARE (in Euro)	-3,87	-6,54
DILUTED EARNINGS/(LOSS) PER SHARE (in Euro)	-3,87	-6,54

COMPREHENSIVE INCOME STATEMENT

	2011	2010
CONSOLIDATED LOSS	**-1.034.638**	**-928.861**
Change in reserve for net exchange differences	-174	-52.741
Profit or loss on AFS financial assets	-621.449	24.037
Profit or loss on cash flow hedges	-12.153	-16.524
Profit or loss on a net foreign investment hedge	0	0
Change in net equity of holdings	-3.990	-1.208
Change in revaluation reserve of intangible assets	0	0
Change in revaluation reserve of tangible fixed assets	0	-8.763
Income/(charges) on non-current assets or of a discontinued group held for sale	0	675
Actuarial profits and losses and adjustments to employee defined plans	-7.254	-2.511
Others items	-18	-7.172
TOTAL OTHER COMPREHENSIVE INCOME STATEMENT ITEMS	**-645.038**	**-64.207**
TOTAL COMPREHENSIVE CONSOLIDATED INCOME	**-1.679.676**	**-993.068**
group share	**-1.318.642**	**-786.971**
minority share	**-361.034**	**-206.097**

FONDIARIA - SAI SPA

CONDENSED BALANCE SHEET

(EURO thousands) ASSETS	31/12/2011	31/12/2010
Intangible assets	174.350	171.939
Investments	14.955.354	15.773.379
Receivables	1.937.017	1.902.119
Other assets	1.474.356	814.404
TOTAL ASSETS	18.541.077	18.661.841

(EURO thousands) LIABILITIES	31/12/2011	31/12/2010
Shareholders' Equity	1.251.353	1.822.481
Subordinated liabilities	900.000	900.000
Net technical reserves	14.829.871	14.304.040
Provisions for risks and charges	303.580	324.542
Deposits received from reinsurers	93.925	151.125
Payables and other liabilities	1.162.348	1.159.653
TOTAL LIABILITIES	18.541.077	18.661.841

CONDENSED INCOME STATEMENT

(EURO thousands)	2011	2010
Result of non-life technical account	-428.028	-263.058
Result of life technical account	-283.155	-174.223
Net investment income (*)	-556.145	-225.870
Quota of investment income transferred from the Life technical account	0	0
Quota of investment income transferred to the Non-Life technical account	0	0
Other income and charges	-109.999	-114.531
RESULT FROM ORDINARY ACTIVITY	-1.377.327	-777.682
Extraordinary income	61.921	92.869
Extraordinary charges	-46.716	-47.092
RESULT FROM EXTRAORDINARY ACTIVITY	15.205	45.777
LOSS BEFORE TAXES	-1.362.122	-731.905
Income taxes for the year	341.754	95.498
NET LOSS	-1.020.368	-636.408

(*) concerning the Non-Life Division

Segment Income Statement

(Euro thousands)

		Non-Life Insurance Sector		Life Insurance Sector		Real Estate Sector		Other Activities Sector		Inter-segment Eliminations		Total	
		2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
1.1	**Net premiums**	6.792.056	6.854.805	3.735.288	5.730.492	0	0	0	0	0	0	10.527.344	12.585.297
1.1.1	*Gross premiums written*	*7.096.685*	*7.162.227*	*3.753.573*	*5.749.276*							10.850.258	12.911.503
1.1.2	*Premiums ceded to re-insurers*	*-304.629*	*-307.422*	*-18.285*	*-18.784*							-322.914	-326.206
1.2	Commission income	0		9.922	16.526			23.070	43.180	-8.559	-2.389	24.433	57.317
1.3	Income & charges from fin. instruments recorded at fair value through profit or loss	*-3.825*	*-7.028*	326.782	399.632	-307	-601	-926	3.310	-25	-30	321.699	395.283
1.4	Income from investments in subsidiaries, associates and joint ventures	*800*	*371*	0	1	26	16.007	0	39.501	0	-85	826	55.795
1.5	Income from other financial instruments and property investments	343.510	401.001	777.318	805.903	47.060	39.180	70.191	78.297	-48.420	-42.984	1.189.659	1.281.397
1.6	Other revenues	509.210	463.529	89.675	42.556	88.705	126.128	648.691	618.145	-669.561	-693.855	666.720	556.503
1	**TOTAL REVENUES AND INCOME**	7.641.751	7.712.678	4.938.985	6.995.110	135.484	180.714	741.026	782.433	-726.565	-739.343	12.730.681	14.931.592
2.1	Net charges relating to claims	-5.924.817	-5.786.462	-4.315.953	-6.366.479	0	0	0	0	0	0	-10.240.770	-12.152.941
2.1.2	*Amounts paid and changes in technical reserves*	*-6.072.005*	*-5.955.951*	*-4.334.852*	*-6.385.961*							-10.406.857	-12.341.912
2.1.3	*Reinsurers' share*	*147.188*	*169.489*	*18.899*	*19.482*							166.087	188.971
2.2	Commission expenses	0		-7.822	-14.007			-8.033	-14.414			-15.855	-28.421
2.3	Charges from investments in subsidiaries, associates and joint ventures	-1.792	-12.842			-4.305	-7.062	-16.035	-35.375			-22.132	-55.279
2.4	Charges from other financial instruments and property investments	-462.799	-486.392	-308.942	-233.343	-217.384	-83.667	-26.842	-33.811	20.320	21.902	-995.647	-815.311
2.5	Management expenses	-1.578.501	-1.592.180	-198.744	-210.690	-193	-299	-312.881	-335.887	215.006	218.874	-1.875.313	-1.920.182
2.6	Other costs	-753.014	-795.889	-212.915	-98.373	-115.318	-140.554	-448.591	-430.850	491.239	498.483	-1.038.599	-967.183
2	**TOTAL COSTS AND CHARGES**	-8.720.923	-8.673.765	-5.044.376	-6.922.892	-337.200	-231.582	-812.382	-850.337	726.565	739.259	-14.188.316	-15.939.317
	PROFIT/(LOSS) BEFORE TAXES	-1.079.172	-961.087	-105.391	72.218	-201.716	-50.868	-71.356	-67.904	0	-84	-1.457.635	-1.007.725