

PRESS RELEASE

Milan, July 2, 2012 – The Board of Directors of FONDIARIA-SAI, in a meeting chaired today by Mr. Cosimo Rucellai, firstly approved the Interim Report as at March 31, 2012, as amended and restated to take account, for the purposes illustrated below, of the bankruptcy of the companies SINERGIA HOLDING DI PARTECIPAZIONI S.p.A. and IM.CO. S.p.A. and the relative receivables from the two companies and their subsidiaries.

The amendments/restatements to the Interim Report at March 31, 2012 were necessary, in consideration of the bankruptcy of the above-mentioned companies, for the limited review by the Independent Auditors to be included in the Prospectus concerning the share capital increase approved by the Shareholders' Meeting of June 27, 2012.

It is recalled that, on May 10, 2012, the Board of Directors approved the Interim Report in which the valuation of the receivables from IM.CO. and SINERGIA was based on the assumption of the completion of the restructuring plan pursuant to Article 182-*bis* of the bankruptcy law or, more simply, based on a simple settlement with all the creditors.

On June 14, 2012, the Second Civil Section of the Milan Court issued the judgement declaring the bankruptcy of IM.CO. and SINERGIA.

As the accounting data of the Interim Report must be included in the Prospectus for the share capital increase of FONDIARIA-SAI and, on the explicit request of the consortium and guarantee banks currently being formed, being subject to a limited review by the Independent Auditors, it is necessary to take account of all the events subsequent to the end of the first quarter 2012 up to the date of the auditors' opinion.

The bankruptcy of a debtor that occurs after the reporting date (in this case after March 31, 2012) usually confirms that a loss realised on a trade receivable already existed at the reporting date, and the need to adjust the book value of the receivable. Therefore this concerns an event arising after the reporting date which results in an adjustment to the quarter.

Taking account of the above, and as reported in the press release of FONDIARIA-SAI of June 14, 2012, which illustrated a creditor position of the IM.CO.-SINERGIA Group for a nominal amount of approx. Euro 230 million (book value at the same date of approx. Euro 176 million due to the write-downs recorded as at December 31, 2011), the FONDIARIA SAI Group recorded a further risk provision of Euro 61.3 million which, net of the relative fiscal effect, resulted in a reduction in the first quarter 2012 profit of Euro 44.5 million.

The net profit was therefore Euro 29.1 million compared to Euro 73.5 million approved by the Board on May 10, 2012. Consequently the Group solvency margin decreases from 91.6% to 89.6% (from 96.2% to 94.1% based on the expected requested margin at the end of 2012).

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 balance sheet and income statement are attached to the present press release.

*** **

The Board of Directors also took note that the Committee of Independent Directors set up in relation to the proposed integration with the UNIPOL Group, in its current composition, met in order to re-examine the work undertaken to-date. The re-examination took place in order to ensure continuity in the work of the Committee in view of the events occurring in the meantime and, on its conclusion, the two new directors of the Committee were in agreement with the conclusions reached to-date by the Committee, as reported to the Board meeting of June 11, 2012.

However it is recalled that the opinion expressed by the Committee on June 11, 2012 in relation to the counter-offer by UGF was within the preliminary phase of the operation and is neither binding nor definitive, in particular as the Committee must prepare, in accordance with law and regulations and the procedures for transactions with related parties adopted by FONDIARIA-SAI, a further binding opinion on the integration operation which will be presented for approval to the Board of Directors when the Board meets to approve the merger.

*** **

Finally, we report that on the request of Consob the Board also reviewed the new offer presented on June 28, 2012 by SATOR CAPITAL LIMITED and PALLADIO FINANZIARIA S.p.A., adjourning any decision to the next Board meeting, scheduled to be held on Thursday July 5, 2012.

Press Office

Tel. +39 02-64029101

Investor Relations

Giancarlo Lana

Floriana Amari

Tel. +39 011-66 57 642

Tel. +39 02-64 02 25 74

investorrelations@fondiaria-sai.it

AD Hoc Communication Advisor

Sara Balzarotti

Mob. +39 335 1415584