PRESS RELEASE

FONDIARIA-SAI: 2012 ANNUAL ACCOUNTS APPROVED
RESULT IMPACTED BY EXTRAORDINARY ITEMS
STRONG CURRENT OPERATING PERFORMANCE

CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

- **Consolidated result: loss of Euro 799.6 million (loss of Euro 1,034.6 million in 2011), after:**
    - **Strengthening of the Non-Life prior year claims reserves of Euro 808 million**
    - **Impairments of Euro 742 million, concerning financial instruments for Euro 188 million, property and real estate initiatives for Euro 294 million and goodwill of subsidiaries for Euro 260 million**
    - **Impact of bankruptcy of Im.Co. and Sinergia of Euro 86 million**
- **Total Premiums Written: Euro 10,033 million (Euro 10,814 million in 2011)**
- **Non-Life claims reported -10.1%**
- **Direct business combined ratio of 105.4% (110.4% in 2011)**
- **Consolidated Solvency Margin of 109.5%**

Fondiaria-Sai S.p.A. SEPEARATE FINANCIAL STATEMENTS (Italian GAAP)

- **Result for the year: loss of Euro 722.7 million (loss of Euro 1,020.4 million in 2011)**

Bologna, March 20, 2013. The Board of Directors of Fondiaria-SAI S.p.A. in a meeting today chaired by Fabio Cerchiai approved the 2012 Consolidated and Separate financial statements.

Consolidated Financial Statements

The **Consolidated net loss** in 2012 was Euro 799.6 million compared to a loss of Euro 1,034.6 million in the previous year.

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The result was impacted by the significant strengthening of the prior year claims reserves of Euro 808 million and a total impairment of Euro 742 million following the write-down of AFS financial instruments (Euro 188 million), property and real estate initiatives (Euro 294 million) and goodwill of the subsidiaries (Euro 260 million), in addition to the write-down on receivables following the bankruptcy of the companies Im.Co. and Sinergia, with an impact of Euro 86 million.

The principal issues of 2012 are summarised below.

The **direct and indirect business premiums** totaled Euro 10,033 million, a decrease of 7.2% compared to the previous year. The Non-Life classes report premiums of Euro 6,421 million (-9.1%), while the Life division reports premiums of Euro 3,612 million (-3.8%).

A contraction in **Motor TPL** premiums of 9.1% is in line with developments throughout the year and follows the policies introduced concerning the restructuring of the multi-risk portfolio (particularly in relation to the fleets) and the significant drop in new vehicle registrations (-20% year-on-year), in addition to the extraordinary issues affecting operations of the entire Fondiaria-SAI Group in 2012, shifting focus away from insurance activities. Against reduced premiums we report the significant reduction in claims reported (-17.7%) and a reduction in frequency of 0.7%.

Also in the Motor sector, the **Land Vehicle Class** reports similar dynamics; premiums dropped by 12.4% against a significant improvement in the number of claims reported (-19.9%).

In relation to the **General Classes** the reduction in premiums of 8.1% follows the discontinuation of unprofitable portfolios, particularly in relation to the Public Bodies and Health Care sectors; claims reported were substantially stable (+0.8%). The sector result was affected by the extraordinary natural events in the first part of the year and the earthquake in Emilia Romagna.

The **Combined Ratio** including direct business was 105.4%[1] (110.4% in 2011), of which 79.4% of loss ratio impacted by the reserve made on prior year claims of 12.1%.

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[1] The Combined Ratio net of reinsurance was 103.8%

After impairments on AFS financial instruments of Euro 126 million, the Non-Life sector reports a **pre-tax loss** of Euro 565 million.

Life premiums amounted to Euro 3,612 million compared to Euro 3,754 million (-3.8%) in 2011, following a significant recovery in the final quarter, largely attributable to the Bancassurance channel. The commercial policies favoured Class I premiums which grew 56%, to the detriment of Class III (-44%) and Class V products (-17%).

New business, valued under the "Annual Premium Equivalent" technique, amounted to Euro 331.3 million (Euro 348.4 million in 2011).

The **pre-tax result** of the Life sector was a loss of Euro 35 million, a significant improvement on the loss of Euro 105 million in the previous year, although impacted by the impairment recognised to the goodwill of the subsidiary Popolare Vita for Euro 159 million and the impairment on AFS financial instruments of Euro 58 million.

The **Real Estate** sector reports a pre-tax loss of approx. Euro 237 million (loss of Euro 202 million in 2011), due principally to the write-downs made by the real estate companies based on updated independent expert valuations. Valuation losses were recorded for approx. Euro 191 million compared to Euro 175 million in the previous year.

The **Other Activities sector,** which includes the companies operating in the financial, asset management and hotel sectors, in addition to the Healthcare businesses, report a pre-tax loss of Euro 95 million (loss of Euro 71 million in 2011). The result is principally related to Atahotels and the Healthcare businesses which still report overheads which exceed revenues. The result also includes the impact on BancaSai of the write-down on receivables from the Im.Co. Group and Sinergia of approx. Euro 17 million.

The total **management expenses** amounted to Euro 1,698 million (reducing on Euro 1,875 million in 2011).

Excluding the contribution of net income from financial instruments at fair value recognised to profit and loss, **total investment income** reached Euro 326 million, a significant improvement on Euro 173 million in 2011.

The **consolidated net equity** increased, including minority shares and the results for the year, from Euro 1,556.7 million to Euro 2,762.7 million, due to the share capital increase in the second half of the year (Euro 1,054 million) and the increase in the Group AFS reserve, net of the portion ceded to life policyholders and the tax effect, from Euro -478 million to Euro 258 million.

The **Consolidated Solvency Margin** therefore amounted to 109.5% (78.2% at the end of 2011).

Parent Company Financial Statements

After write-downs of investments and property of Euro 968 million (Euro 1,088 million in 2011) a net loss was reported in 2012 of Euro 722.7 million (Euro 1,020.4 million in 2011).
This result was significantly impacted by the write-down of the investment in the subsidiary Milano Assicurazioni for Euro 428 million (Euro 233 million in 2011), in addition to further write-downs of controlling and non-controlling investments for Euro 444 million (Euro 803 million in 2011). In addition, considering the continued difficulties in the real estate market, impairments on the property portfolio of Euro 96 million were recorded (Euro 51 million in 2011).

In relation to the insurance operations of the **Non-Life classes** the strengthening of the prior year claims reserves of Euro 325 million is noted (Euro 546 million in 2011), although in a market featuring strong current operating performances.
Premiums amounted overall to Euro 4,304 million (Euro 4,842 million in 2011), of which Euro 3,473.9 million concerning the Non-Life Classes (-8.5% compared to 2011) and Euro 829.9 million concerning the Life Classes (-20.7% compared to 2011).
The direct business **Combined Ratio** was 100.8%[2] (110% in 2011) with a **Loss Ratio** at 76% (85.3% at 31/12/11); the Combined Operating Ratio decreased from 107.5% to 97.4%.
The **technical account** of the Non-Life Classes reported a loss of Euro 5.3 million, a significant improvement on a loss of Euro 428 million in 2011.

[2] Net of reinsurance, the Combined Ratio was 100.1%.

The **Life** sector reports a return to profit for the technical result at Euro 1 million, after a loss in the previous year (Euro 283.2 million); premiums contracted by 20.7%, in line with the market.

Management expenses decreased overall from Euro 909 million to Euro 854 million (-6.1%).

Investment income, without considering write-backs/impairments, grew by approx. 5% to Euro 510.7 million. Net ordinary income rose to Euro 456.4 million (+11.9%).

Shareholders' equity increased, including the result for the year, from Euro 1,251.4 million to Euro 1,627.3 million.

The **Parent Company Solvency Margin** therefore amounted to 181.4% (149.3% at the end of 2011).

On the request of CONSOB – in accordance with Article 114, paragraph 5 of Legislative Decree No. 58/98 – an explanatory note concerning the revaluation of the prior year claims reserves of the Group insurance companies in 2012 is attached to the present press release (Attachment 1). This information is reported also in the 2012 Consolidated Financial Statements.

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Outlook

The new management are tasked in the coming months with furthering the merger with the Unipol Group, in line with the conditions communicated to the market. The restructuring and simplification processes of the Group will continue, fully exploiting the synergies identified and allowing the creation of value from an alignment of productivity and the optimisation of financial management.

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In view of the Shareholders' Meeting called for April 26, 2013 in first call at 2.30 PM at San Lazzaro di Savena, in the province of Bologna, at the Centro Congressi Villa Cicogna (April 29, 2013 in second call at the same time and place), the Parent Company and Consolidated Financial Statements approved today by the Board of Directors will be made available to the public by April 4, 2013 at the registered offices of the Company and at Borsa Italiana S.p.A.. The report will also be available at the internet site of the Company at www.fondiaria-sai.it.

The Board of Directors also approved the 2012 Corporate Governance and Ownership Structure Report, which will be made available to the public in accordance with law.

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Presentation of results to the financial community

The 2012 results of Fondiaria-Sai will be presented to the financial community on Thursday March 21 at 6.30 PM through webcasting (from the site www.fondiaria-sai.it) and in conference call. The telephone numbers to be used for the event are: 02.805.88.11 (from Italy), +1 718 7058794 (from USA), +44 1212818003 (from other countries). Financial analysts and institutional investors may send their questions at the end of presentation according to the indications provided by the operator. The other technical details to access the event are available on the home page of the website www.fondiaria-sai.it.

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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 Consolidated Income Statement, Comprehensive Income Statement and Balance Sheet are attached.

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The Board of Directors also, in accordance with Article 2386 of the Civil Code and Article 13 of the By-laws, appointed Mr. Roberto Maviglia to the Board, in replacement of the resigning Mr. Giampaolo Galli. He belongs to the same slate as the resigning Director, which attracted the second highest number of votes at the Shareholders' Meeting of Fondiaria-Sai S.p.A. of October 30, 2012 and was expressly designated as the candidate to replace Mr. Galli by the funds proposing the slate. Mr. Maviglia was considered independent on the acceptance of his candidature. The Board of Directors at the next meeting will formally verify the independence of Mr. Maviglia.

The Board of Directors also appointed to the Remuneration Committee, in replacement of Mr. Galli, the Independent Director Ms. Ethel Frasinetti, as lead co-ordinator of the Committee.

Definitions and Glossary

Combined Ratio = the Loss Ratio and total expenses (general and acquisition charges and other net technical charges) on premiums.

Combined Operating Ratio = the Loss Ratio and general and acquisition charges (Expense Ratio) on premiums.

Annual Premium Equivalent (APE) = Total of new business annual premiums and one-tenth of single premiums.

Available for Sale (AFS) = Financial instruments available for sale

AFS Reserve = Reserve on assets classified in the "Available for Sale" category.

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(Att. 1) - Information requested by Consob

Strengthening of the prior year claims reserves: Information requested by Consob

With Consob communication of March 18, 2013, Protocol No. 13021374, Consob requested Fondiaria-Sai, pursuant to Article 114, paragraph 5, of Legislative Decree 58/98, to report in the explanatory notes to the 2012 consolidated financial statements disclosure and information concerning:

- the quantitative and qualitative reconstruction of the movements of the revaluation of the prior year claims reserves during 2012 of the group insurance companies, indicating the underlying reasons for the revaluation and providing details of the amounts by insurance company and class;
- the quantification, representation and accounting of the strengthening of the prior year claims reserves in the 2012 consolidated financial statements, specifying the International Accounting Standards adopted and the underlying reasons for the reformulation of the reserve policies adopted to date by the insurance companies of the Fondiaria-SAI Group;
- actions taken to render the reserve policies uniform, indicating modifications to the operating plan and methodology;
- the reasons for which it was not considered appropriate to consider the revaluation of the prior year claims reserve as a correction of an error of the previous year, in compliance with IAS 8.

With reference to the request of the Supervision Authority, the following information is provided.

Strengthening of the prior year claims reserves of the Fondiaria-SAI Group and reformulation of the reserve policies

As already illustrated in the press release published on December 21, 2012 by the parent company Unipol Gruppo Finanziario S.p.A., in the joint 2013–2015 Industrial Plan (the “Plan”) assumptions were made, with reference to the year 2012, to strengthen the non-life prior year claims reserves[3] relating to the Fondiaria-Sai Group by approx. Euro 650 million.

The reasons underlying these assumptions to strengthen the reserves are substantially due to the circumstances and valuations reported below:

A) First Nine Months 2012 results: with the approval, on November 13, 2012, by the Boards of Directors of Fondiaria-Sai and Milano Assicurazioni of the Interim Report at September 30, 2012, on the proposal of the previous technical structures of the companies, the need to strengthen prior year claims reserves was highlighted for a total of Euro 342 million, for the entire Fondiaria-Sai Group, principally due to:

   – Motor TPL Class: the analysis of the management data relating to the savings on the prior year claims settled at September 30, 2012, according to the valuations made by the previous technical structures, indicated for Fondiaria-Sai and Milano Assicurazioni a position respectively of 4 and 10 percentage points lower than that recorded by Unipol Assicurazioni at the same date (equal to 25.8% of the "fallen" reserve), although improving on the previous year. In the absence of precise figures calculated based on the actuarial models, prepared solely for the purposes of the annual financial statements, this management indicator - concerning a reserve estimate still not sufficiently prudent - was taken by these structures as evidence of the need, in the application of prudent criteria, for further reserves of the claims still open with these insurance companies. At September 30, 2012, therefore, at Fondiaria-Sai consolidated level it was considered necessary to strengthen these Motor TPL claims reserves for Euro 219 million;

   – General TPL Class: based on specific instructions received from ISVAP (now IVASS), Fondiaria-Sai and Milano Assicurazioni were required to increase reserves for a total of Euro 125 million and to develop reserve valuation models at last cost utilising actuarial methodologies, in place of the simplified methodologies utilised up to the 2011 Annual Accounts. Therefore, at September 30, 2012, again on the proposal of the technical structures, the companies Fondiaria-Sai and Milano Assicurazioni increased the General TPL claims reserve for Euro 150 million

[3] Defined as the sum of the claims reserves at the end of the previous year to the reference year (the "Year"), less the amounts paid in the Year, less the prior year claims reserves at the end of the Year, plus/less the balance of the sums recovered/to be recovered from policyholders and third parties.

(Euro 156 million including the other companies of the Fondiaria-Sai Group);

- Others Classes: at September 30, 2012 they report a positive balance of Euro 33 million;

B) Annual inventory process of the claims reserves: during the annual review phase of the inventory of the reserves relating to claims reported but not yet settled, the Fondiaria-Sai claims adjusters network highlighted the necessity for significant revaluations, in particular of large amounts pertaining to the Motor TPL and General TPL classes. It is also noted that in addition to the activities undertaken by the claims adjusters, in accordance with instructions from the Insurance Supervisory Authority, the estimate of the adjusters must be verified with actuarial methodologies in order to estimate the last cost of the claims still to be reserved[4], including all future costs. This activity may result in a further supplement to the reserves compared to that originally estimated by the claims adjusters based on the information at their disposal.

The Company, in the preparation of the Plan, and not having the final figures for the year 2012 and in consideration, therefore, of the impossibility to apply the actuarial methodologies for the valuation of the reserves at last cost (actuarial models, in fact, require historical annual data), considered it appropriate to record a further prudent one-off adjustment to that made by the adjusters, with a total estimate to strengthen the prior year claims reserves of Euro 653 million.

[4] Parallel to the analytical valuation of claims by the adjusters a statistical/actuarial valuation is also made which may further supplement the reserves to align with the "Last Cost", as defined by Article 27 of ISVAP Regulation No. 16 of March 4, 2008 which, at paragraph 1, states that *"the companies determine the claims reserve commencing from a separate analytical valuation of the cost of each not entirely paid claim reported with the inventory method"* and, at the following paragraph 4, establishes that *"for the classes characterised by slow settlement processes or in which the analytical valuations as per paragraph 1 are not able to take into account all future foreseeable charges, the companies, in order to determine the last cost of the claims, in addition to the valuations as per paragraph 1, also apply statistical/actuarial methodologies or forecasting valuation systems of future costs"*.

Therefore, within the uniformity process of the underlying assumptions in the economic and financial projections of the Plan, the estimates to strengthen the prior year reserves made reference to:

(i) management data and adjustments of the claims reserves made by the claims adjusters in the year-end inventory process and

(ii) a prudent estimate of the increase of these values, made on a one-off basis, to take account of any further strengthening due to the valuations of the actuarial models.

In relation to the process to render the reservation policies of the companies of the Fondiaria-Sai Group uniform with the Unipol Group, in the initial months of the new ownership a verification of strict compliance with the above-mentioned regulation was undertaken.

Therefore at the conclusion of the inventory process carried out by the claims network, in order to establish the last cost of claims written to the reserve, after including the reserve estimates of the settlement expenses in the valuations, the technical verification was verified with various statistical-actuarial methods, providing the results which follow.

In particular, in relation to the General TPL Class and differing from that carried out last year, in place of the simplified methodologies, statistical/actuarial models such as the Chain-Ladder Paid model and the GLM ODP model were adopted, based on an analysis of the historic series classified by similar family of risk.

In the preparation of the 2012 consolidated financial statements, through the use of the methods described above, a valuation of the last cost of prior year claims reserves resulted in an increase in the estimate of the claims adjusters, with particular reference to the Motor TPL class amounting to approx. Euro 200 million. This resulted in the strengthening of the prior year claims reserves of Euro 808 million, of which Euro 709 million relating to the Motor TPL Class and Euro 187 million relating to the General TPL Class, while the Other classes recorded a positive balance of Euro 88 million.

Developments in the strengthening of the prior year claims reserves

The table below reports, broken down by the principal classes (Motor TPL, General TPL and Other classes) and for the principal Group companies, the movements over the year 2012 in the strengthening of the prior year claims reserves, with cumulative totals at the valuation dates of June 30, September 30 and December 31, 2012, as well as the assumptions utilised within the Plan with reference to the year 2012.

	Euro Millions	30/06/ 2012	30/09/ 2012	31/12/ 2012	Plan 2012
Fondiaria-SAI	Motor TPL	10.3	30.0	289.5	250.0
	General TPL	40.4	113.0	113.1	105.0
	Other Non-Life Classes	-14.1	-29.8	-77.5	-86.0
	Total	36.6	113.1	325.1	269.0
Milano Assicurazioni	Motor TPL	70.6	164.1	321.2	300.0
	General TPL	36.0	37.1	61.8	65.0
	Others Classes	11.3	-6.5	-23.0	-46.0
	Total	118.0	194.7	360.1	319.0
Other companies of the Fondiaria-SAI Group	Motor TPL	15.4	25.1	98.3	48.0
	General TPL	3.2	5.8	11.6	10.0
	Others Classes	-5.7	3.2	12.5	7.0
	Total	12.9	34.1	122.5	65.0
Total Fondiaria-SAI Group	**Motor TPL**	**96.2**	**219.1**	**709.1**	**598.0**
	General TPL	**79.6**	**155.9**	**186.5**	**180.0**
	Others Classes	**-8.5**	**-33.1**	**-88.0**	**-125.0**
	Total	**167.4**	**341.9**	**807.6**	**653.0**

As previously illustrated, we highlight that the strengthening of the reserves took place particularly in the last part of 2012, based on the results of the inventory process, which commenced in September 2012, and the results deriving from the actuarial models applied only on the annual figures.

The forecasts contained in the industrial plan concerning the resultant company of the proposed merger (UnipolSai) were fully confirmed, which for the prior year claims reserve considered, for reasons of prudency, an additional Euro 150 million over the duration of the plan 2013-2015.

Representation and accounting recognition of the strengthening of the claims reserves, International Accounting Standards adopted and reasons why the revaluation of the prior year claims reserves should not be treated as a correction of errors of the previous year in accordance with International Accounting Standard No. 8.

The adjustment of the claims reserves of Fondiaria-Sai Spa and its subsidiaries is considered an adjustment of estimates and recorded in the 2012 consolidated financial statements of Fondiaria-Sai Spa as a cost relating to 2012, recorded in the account 2.1.1 - Amounts paid and changes in the technical reserves (Consolidated income statement) recording an increase in Account 3 - Technical Reserves (Balance Sheet – Shareholders' equity and liabilities). The change in the Motor TPL claims reserves between 2011 and 2012 is due to a change in the accounting estimates to be treated in accordance with IAS 8, paragraph 32 and thereafter and in no circumstances should this be considered as a correction of an "error".

This is due to the fact that (and as described above) the revaluation of the prior year claims reserves is the product of elaborations and analyses concerning the forecast cost of claims not yet settled, established in light of all the information available at the time of the preparation of the financial statements, information which differs from that utilised and available, or which could not have been forecast at the time of the preparation of the previous financial statements and therefore in line with that established by IAS 8.

Finally, in relation to the International Accounting Standards adopted, it is repeated that the IAS/IFRS does not govern, in a specific accounting standard, the treatment of insurance reserves and therefore the accounting treatment of any strengthening of the reserves.

IFRS 4 is the only International Accounting Standard which currently expressly deals with insurance contracts – in fact it has as its sole purpose "to specify disclosure in financial statements relating to insurance contracts for each entity which issues these contracts (defined, in the present IFRS, as insurer) until the Board has completed the second phase of its project in relation to insurance contracts" (which has not yet occurred).

IFRS 4, however, provides some indications on the system which governs, within the IAS/IFRS, the valuation of insurance contracts and, consequently, of the reserves. Paragraph 13 of IFRS 4 in fact provides that "the insurer is exempt from the application of such criteria with reference to paragraphs 10 - 12 of IAS 8 to its own accounting principles relating to:

a) own insurance contracts issued (including acquisition costs and related intangible assets, as per paragraphs 31 and 32); and

b) reinsurance contracts held".

This signifies that, in the absence of regulations which govern the specific circumstances – specifically "insurance contracts" – insurance companies, instead of making reference to the provisions of paragraph 10 – 12 of IAS 8 (therefore paragraphs of IAS 8 which govern the treatment of the preparer of the financial statements when there is a deficiency in the application of IAS/IFRS standards), may continue to adopt the practices utilised, or rather, in the Italian case, to continue to adopt in the calculation of the reserves for the preparation of the individual statutory financial statements with regard to the technical reserves of the Non-Life classes Article 37, paragraph 1 of the Private Insurance Code and ISVAP Regulation No 16/2008.

INCOME STATEMENT

(€ thousand)

		2012	2011
1.1	Net premiums	9,967,235	10,527,344
1.1.1	*Gross premiums written*	*10,277,167*	*10,850,258*
1.1.2	*Premiums ceded to re-insurers*	*-309,932*	*-322,914*
1.2	Commission income	15,423	24,433
1.3	Income and charges from financial instruments recorded at fair value through profit or loss	544,681	321,699
1.4	Income from investments in subsidiaries, associates and joint ventures	641	826
1.5	Income from other financial instruments and property investments	1,181,659	1,189,659
1.5.1	*Interest income*	*823,785*	*827,269*
1.5.2	*Other income*	*138,677*	*149,550*
1.5.3	*Profits realised*	*210,914*	*212,535*
1.5.4	*Valuation gains*	*8,283*	*305*
1.6	Other revenues	502,142	666,720
1	**TOTAL REVENUES AND INCOME**	**12,211,781**	**12,730,681**
2.1	Net charges relating to claims	-9,357,554	-10,240,770
2.1.2	*Amounts paid and changes in technical reserves*	*-9,660,029*	*-10,406,857*
2.1.3	*Reinsurers' share*	*302,475*	*166,087*
2.2	Commission expenses	-7,361	-15,855
2.3	Charges from investments in subsidiaries, associates and joint ventures	-19,568	-22,132
2.4	Charges from other financial instruments and property investments	-837,186	-995,647
2.4.1	*Interest expense*	*-59,682*	*-76,941*
2.4.2	*Other charges*	*-73,123*	*-69,450*
2.4.3	*Losses realised*	*-147,522*	*-142,293*
2.4.4	*Valuation losses*	*-556,859*	*-706,963*
2.5	Management expenses	-1,698,317	-1,875,313
2.5.1	*Commissions and other acquisition expenses*	*-1,248,751*	*-1,406,623*
2.5.2	*Investment management charges*	*-15,984*	*-16,016*
2.5.3	*Other administration expenses*	*-433,582*	*-452,674*
2.6	Other costs	-1,224,579	-1,038,599
2	**TOTAL COSTS AND CHARGES**	**-13,144,565**	**-14,188,316**
	LOSS BEFORE TAXES	**-932,784**	**-1,457,635**
3	Income tax	**131,362**	**392,147**
	NET LOSS FOR THE YEAR	**-801,422**	**-1,065,488**
4	**PROFIT FROM DISCONTINUED OPERATIONS**	**1,825**	**30,850**
	CONSOLIDATED LOSS	**-799,597**	**-1,034,638**
	group share	-749,717	-852,719
	minority share	-49,880	-181,919

OPERATING EARNINGS/(LOSS) PER SHARE (in Euro)	-2.25	-395.51
OPERATING DILUTED EARNINGS/(LOSS) PER SHARE (in Euro)	-2.25	-395.51
EARNINGS/(LOSS) PER SHARE (in Euro)	-2.24	-387.19
DILUTED EARNINGS/(LOSS) PER SHARE (in Euro)	-2.24	-387.19

SAI FONDIARIA

Segment Income Statement

(€ thousand)

		Non-Life Insurance Sector		Life Insurance Sector		Real Estate Sector		Other Activities Sector		Inter-segment Eliminations		Total	
		2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
1.1	Net premiums	6,364,206	6,792,056	3,603,029	3,735,288	0	0	0	0	0	0	9,967,235	10,527,344
1.1.1	*Gross premiums written*	*6,665,585*	*7,096,685*	*3,611,582*	*3,753,573*	*0*	*0*	*0*	*0*	*0*	*0*	10,277,167	10,850,258
1.1.2	*Premiums ceded to re-insurers*	*-301,379*	*-304,629*	*-8,553*	*-18,285*	*0*	*0*	*0*	*0*	*0*	*0*	-309,932	-322,914
1.2	Commission income	0	0	2,562	9,922	0	0	23,372	23,070	-10,511	-8,559	15,423	24,433
1.3	Income & charges from fin. instruments recorded at fair value through profit or loss	*-12,517*	*-3,825*	557,133	326,782	-2,798	-307	2,863	-926	0	-25	544,681	321,699
1.4	Income from investments in subsidiaries, associates and joint ventures	*615*	*800*	0	0	26	26	0	0	0	0	641	826
1.5	Income from other financial instruments and property investments	413,450	343,510	703,787	777,318	55,825	47,060	56,510	70,191	-47,913	-48,420	1,181,659	1,189,659
1.6	Other revenues	448,505	509,210	69,195	89,675	20,762	88,705	637,098	648,691	-673,418	-669,561	502,142	666,720
1	**TOTAL REVENUES AND INCOME**	**7,214,259**	**7,641,751**	**4,935,706**	**4,938,985**	**73,815**	**135,484**	**719,843**	**741,026**	**-731,842**	**-726,565**	**12,211,781**	**12,730,681**
2.1	Net charges relating to claims	-4,999,313	-5,924,817	-4,358,241	-4,315,953	0	0	0	0	0	0	-9,357,554	-10,240,770
2.1.2	*Amounts paid and changes in technical reserves*	*-5,296,257*	*-6,072,005*	*-4,363,772*	*-4,334,852*	*0*	*0*	*0*	*0*	*0*	*0*	-9,660,029	-10,406,857
2.1.3	*Reinsurers' share*	*296,944*	*147,188*	*5,531*	*18,899*	*0*	*0*	*0*	*0*	*0*	*0*	302,475	166,087
2.2	Commission expenses	0	0	-1,777	-7,822	0	0	-5,584	-8,033	0	0	-7,361	-15,855
2.3	Charges from investments in subsidiaries, associates and joint ventures	-12,836	-1,792	0	0	-2,089	-4,305	-4,642	-16,035	-1	0	-19,568	-22,132
2.4	Charges from other financial instruments and property investments	-435,331	-462,799	-147,662	-308,942	-245,514	-217,384	-22,857	-26,842	14,178	20,320	-837,186	-995,647
2.5	Management expenses	-1,407,374	-1,578,501	-203,474	-198,744	-196	-193	-315,448	-312,881	228,175	215,006	-1,698,317	-1,875,313
2.6	Other costs	-924,804	-753,014	-259,325	-212,915	-63,386	-115,318	-466,554	-448,591	489,490	491,239	-1,224,579	-1,038,599
2	**TOTAL COSTS AND CHARGES**	**-7,779,658**	**-8,720,923**	**-4,970,479**	**-5,044,376**	**-311,185**	**-337,200**	**-815,085**	**-812,382**	**731,842**	**726,565**	**-13,144,565**	**-14,188,316**
	PROFIT/(LOSS) BEFORE TAXES	**-565,399**	**-1,079,172**	**-34,773**	**-105,391**	**-237,370**	**-201,716**	**-95,242**	**-71,356**	**0**	**0**	**-932,784**	**-1,457,635**

BALANCE SHEET - ASSETS

(€ thousand)

		2012	2011
1	**INTANGIBLE ASSETS**	**1,160,227**	**1,462,890**
1.1	Goodwill	1,101,715	1,367,737
1.2	Other intangible assets	58,512	95,153
2	**PROPERTY, PLANT & EQUIPMENT**	**373,111**	**401,744**
2.1	Buildings	304,203	315,500
2.2	Other tangible assets	68,908	86,244
3	**TECHNICAL RESERVES – REINSURANCE AMOUNT**	**807,304**	**701,880**
4	**INVESTMENTS**	**33,859,082**	**33,789,332**
4.1	Investment property	2,200,774	2,759,245
4.2	Investments in subsidiaries, associates and joint ventures	125,799	116,558
4.3	Investments held to maturity	718,119	599,713
4.4	Loans and receivables	3,527,030	3,688,865
4.5	AFS financial assets	20,848,041	17,598,287
4.6	Financial assets at fair value through the profit or loss account	6,439,319	9,026,664
5	**OTHER RECEIVABLES**	**2,090,995**	**2,340,741**
5.1	Receivables from direct insurance operations	1,322,826	1,698,430
5.2	Receivables from reinsurance operations	64,750	78,637
5.3	Other receivables	703,419	563,674
6	**OTHER ASSETS**	**1,534,590**	**1,803,440**
6.1	Non-current assets or of a discontinued group held for sale	3,335	87,151
6.2	Deferred acquisition costs	52,250	30,301
6.3	Deferred tax assets	954,429	1,155,060
6.4	Current tax assets	299,485	316,208
6.5	Other assets	225,091	214,720
7	**CASH AND CASH EQUIVALENTS**	**560,228**	**976,582**
	TOTAL ASSETS	**40,385,537**	**41,476,609**

BALANCE SHEET – SHAREHOLDERS' EQUITY & LIABILITIES

(€ thousand)

		2012	2011
1	**SHAREHOLDERS' EQUITY**	**2,762,674**	**1,556,708**
1.1	**Group**	**2,115,707**	**1,036,952**
1.1.1	Share Capital	1,194,573	494,731
1.1.2	Other equity instruments	0	0
1.1.3	Capital reserves	669,626	315,460
1.1.4	Retained earnings and other reserves	898,822	1,834,570
1.1.5	(Treasury shares)	-68,197	-213,026
1.1.6	Translation reserve	-65,970	-56,772
1.1.7	Profit or loss on AFS financial assets	257,597	-478,283
1.1.8	Other gains and losses recorded directly in equity	-21,027	-7,009
1.1.9	Group net loss	-749,717	-852,719
1.2	**minority interest**	**646,967**	**519,756**
1.2.1	Minority capital and reserves	673,611	903,659
1.2.2	Gains and losses recorded directly in equity	23,236	-201,984
1.2.3	Minority interest loss	-49,880	-181,919
2	**PROVISIONS**	**271,877**	**322,310**
3	**TECHNICAL RESERVES**	**33,657,899**	**35,107,505**
4	**FINANCIAL LIABILITIES**	**2,315,626**	**3,143,273**
4.1	Financial liabilities at fair value through profit or loss account	568,575	1,303,886
4.2	Other financial liabilities	1,747,051	1,839,387
5	**PAYABLES**	**764,922**	**792,090**
5.1	Payables from direct insurance operations	96,388	78,999
5.2	Payables from reinsurance operations	67,876	84,912
5.3	Other payables	600,658	628,179
6	**OTHER LIABILITIES**	**612,539**	**554,723**
6.1	Liabilities in a discontinued group held for sale	0	0
6.2	Deferred tax liabilities	178,189	133,452
6.3	Current tax liabilities	54,101	16,522
6.4	Other liabilities	380,249	404,749
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**40,385,537**	**41,476,609**

FONDIARIA - SAI SPA

CONDENSED BALANCE SHEET

(EURO thousand) ASSETS	31/12/2012	31/12/2011
Intangible assets	235,945	174,350
Investments	15,039,466	14,955,354
Receivables	1,764,099	1,937,017
Other assets	1,172,529	1,474,356
TOTAL ASSETS	18,212,039	18,541,077

(EURO thousand) LIABILITIES	31/12/2012	31/12/2011
Shareholders' Equity	1,627,333	1,251,353
Subordinated liabilities	900,000	900,000
Net technical reserves	14,248,736	14,829,871
Provisions for risks and charges	314,739	303,580
Deposits received from reinsurers	86,067	93,925
Payables and other liabilities	1,035,164	1,162,348
TOTAL LIABILITIES	18,212,039	18,541,077

CONDENSED INCOME STATEMENT

(EURO thousand)	31/12/2012	31/12/2011
Result of non-life technical account	-5,289	-428,028
Result of life technical account	924	-283,155
Net investment income (*)	-627,275	-556,145
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	-96,003	-109,999
RESULT FROM ORDINARY ACTIVITY	**-727,643**	**-1,377,327**
Extraordinary income	69,402	61,921
Extraordinary charges	-55,924	-46,716
RESULT FROM EXTRAORDINARY ACTIVITY	**13,478**	**15,205**
LOSS BEFORE TAXES	**-714,165**	**-1,362,122**
Income taxes for the year	-8,559	341,754
NET LOSS	**-722,724**	**-1,020,368**

(*) concerning the Non-Life Division