

PRESS RELEASE

CONSOLIDATED RESULTS FOR THE FIRST NINE MONTHS OF 2013 APPROVED

- **NET PROFIT OF €323.9M (-€1.1M AT 30 SEPTEMBER 2012)**
- **TOTAL DIRECT INCOME OF €7,017.5M (€7,248.7M AT 30 SEPTEMBER 2012)**
- **COMBINED RATIO OF 92.3% (101.6% AT 30 SEPTEMBER 12)**

Bologna, 13 November 2013 - The Board of Directors of Fondiaria-SAI S.p.A., which met today under the chairmanship of Fabio Cerchiai, approved the consolidated results for the first nine months of 2013.

The period in question ended with a **consolidated net profit** of €323.9m, a significant improvement compared to the loss of €1.1m recorded at 30 September 2012.

This result was achieved thanks to the positive technical performance of the Non-Life business and to the effects of efficiency measures launched at the end of last year for the Company now under the management of the Unipol Group.

Total direct business income, including investment policies of the Life classes, amounted to €7,017.5m (-3.2% compared to €7,248.7m at 30 September 2012).

Non-Life Business

The Non-Life business reported direct business premium income of €4,198.6m, a decrease of 10.7% compared to €4,700m in the first nine months of 2012.

In particular, premiums in **MV classes** totalled €2,759m (-13.6%), of which €2,398m collected in **MV TPL** (-13.5%) and €361m in **Land Vehicles** (-14.5%). The result reflects the effects of the continuation of portfolio recovery policies as well as the steady decline in registrations (-8.3% for the Italian market in the first nine months of 2013). In regard of claims, the reduction in income was offset by a marked reduction in claims for MV classes (-10%), as well as by the steady claims provisions posted at the end of the previous financial year.

Non-MV direct premium income¹ amounted to €1,439.6m (-4.4% compared to 30 September 2013).

The positive technical result of the Non-Life business was confirmed at the end of the first nine months with a **combined ratio**² of 92.3% on direct business, a significant improvement compared to the figure for September 2012 (101.6%) against a significant decrease in the **loss ratio**, which went from 78.6% to 68.4%³.

The Non-Life business closed with a **pre-tax profit** of €449.9m, a clear improvement compared to €38m as reported at 30 September 2012.

Life Business

Total direct income, which includes the investment policies of the Life classes, amounted to €2,819m (+10.6%), mainly driven by the bancassurance business.

The income trend for companies operating through traditional channels was steady, suggesting a renewed confidence in the Group, also accompanied by a significant reduction in the flow of redemptions.

The Life business recorded a **pre-tax profit** of €182.2m, a significant increase compared to €74.5m reported at 30 September 2012.

Real Estate Business

As envisaged in the 2013-2015 Industrial Plan, preparation for the sale of a portion of real estate assets, already begun in the early months of the financial year, continued. Following a detailed analysis, assets to be sold or subject to operations aimed at increasing profitability during the period are currently being identified.

¹ Includes Watercraft TPL (class 12)

² Combined Ratio: incidence of loss ratio and other technical charges on accrued premiums and total expenses (general and acquisition expenses) on reported premiums

³ Includes other technical charges

Alongside preparation for the sale process of certain properties, for which agreements or bills of sale have already been signed, streamlining and optimization of the corporate structure and cost control is also in progress through the merger of real estate companies whose business purposes ceased to exist in light of the new group configuration and strategy.

The business segment, which only includes real estate companies and closed-end real-estate funds, reported a pre-tax loss of €41.6m (-€35m at 30 September 2012), mainly due to the depreciation charges and adjustments amounting to over €16m during the period.

Other Businesses

Other Businesses consist of the Group Companies operating in the financial sector, hotel industry and in diversified sectors with respect to insurance and real estate.

The first nine months of 2013 showed a pre-tax loss of €24.3m, an improvement over the figure recorded in the first nine months of 2012 (-€32.6m), which, however, did not include the impact of Atahotels - a loss of €13.9m - at the time reclassified as assets held for sale.

The 2013 result, albeit in improvement, only partially reflects the effects of the restructuring and reorganization initiatives implemented for the purpose of financial and economic rebalancing of the companies concerned.

Financial Management

Although in a reference context not yet stabilized, the positive trend of financial management allows to report a **net investment income** of €632.1m (excluding net income from investments with financial risk borne by Life policyholders), thus exceeding the results of the first nine months of 2012 (€602.9m).

Balance Sheet

At 30 September 2013, the **consolidated solvency margin** stood at 1.3 times the regulatory requirements (1.1 at 31 December 2012).

Consolidated equity amounted to €3,065m (€2,763m at 31 December 2012).

After the approval of the Merger Plan, at the end of October, by the Extraordinary Shareholders' Meetings of Unipol Assicurazioni, Fondiaria-SAI, Premafin and Milano Assicurazioni, as well as by the Special Meeting of Savings Shareholders of Milano Assicurazioni, activities related to integration with the Unipol Group have continued in compliance with the conditions previously disclosed to the market. The merger is an essential step of such operation and is intended to create an operator of primary importance in the insurance industry, **UnipolSai**.

The Manager in charge of financial reporting, Massimo Dalfelli, pursuant to Article 154-*bis*, paragraph 2, of the Consolidated Law on Finance, declares that the accounting information contained in this press release matches the documentary evidence, corporate books and accounting records.

Presentation of Results to the Financial Community

The results of Fondiaria-SAI in the nine months of 2013 will be contained in the presentation of the Unipol Group to the financial community to be held Thursday, 14 November at 6:30pm via webcasting (from the site www.fondiaria-sai.it) and conference call. The phone numbers to dial for the event are: 02.805.88.11 (from Italy), +1.718.7058794 (from the U.S.), +44.121.2818003 (from other countries). Financial analysts and institutional investors may ask questions at the end of the presentation following the operator's instructions. The other technical details for access to the event are available on the website www.fondiaria-sai.it.

Please find attached the tables of the Income Statement and the statement of financial position related to investments, technical provisions and financial liabilities.



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BALANCE SHEET - ASSETS

(in € thousands)

		30/09/2013	31/12/2012
1	INTANGIBLE ASSETS	1,049,824	1,160,227
1.1	Goodwill	1,002,634	1,101,715
1.2	Other intangible assets	47,190	58,512
2	PROPERTY, PLANTS & EQUIPMENT	337,040	373,111
2.1	Property	288,739	304,203
2.2	Other property, plants and equipment	48,301	68,908
3	TECHNICAL PROVISIONS – REINSURERS SHARE	644,491	807,304
4	INVESTMENTS	30,025,588	33,859,082
4.1	Investment property	1,976,953	2,200,774
4.2	Investments in subsidiaries, associates and interests in joint ventures	136,442	125,799
4.3	Held to maturity investments	577,441	718,119
4.4	Loans and receivables	3,400,468	3,527,030
4.5	Available-for-sale financial assets	18,052,050	20,848,041
4.6	Financial assets at fair value through profit or loss	5,882,234	6,439,319
5	OTHER RECEIVABLES	1,396,939	2,090,995
5.1	Receivables relating to direct insurance business	725,464	1,322,826
5.2	Receivables relating to reinsurance business	56,908	64,750
5.3	Other receivables	614,567	703,419
6	OTHER ASSETS	5,070,279	1,534,590
6.1	Non-current assets held for sale or disposal groups	3,888,504	3,335
6.2	Deferred acquisition costs	55,082	52,250
6.3	Deferred tax assets	726,466	954,429
6.4	Current tax assets	271,158	299,485
6.5	Other assets	129,069	225,091
7	CASH AND CASH EQUIVALENTS	819,283	560,228
	TOTAL ASSETS	39,343,444	40,385,537

BALANCE SHEET – LIABILITIES

(in € thousands)

		30/09/2013	31/12/2012
1	EQUITY	3,064,944	2,762,674
1.1	Attributable to the owners of the Parent	2,368,833	2,115,707
1.1.1	Share capital	1,194,573	1,194,573
1.1.2	Other equity instruments	0	0
1.1.3	Equity-related reserves	198,876	669,626
1.1.4	Income related and other reserves	612,137	898,822
1.1.5	(Treasury shares)	-68,197	-68,197
1.1.6	Translation reserve	-68,238	-65,970
1.1.7	Gains or losses on available-for-sale financial assets	257,278	257,597
1.1.8	Other gains or losses recognised directly in equity	8,284	-21,027
1.1.9	Profit (loss) for the period attributable to the owners of the Parent	234,120	-749,717
1.2	Attributable to non-controlling interests	696,111	646,967
1.2.1	Share capital and reserves attributable to non-controlling interests	574,356	673,611
1.2.2	Gains and losses recorded directly in equity	31,990	23,236
1.2.3	Profit (loss) for the period attributable to non-controlling interests	89,765	-49,880
2	PROVISIONS	265,840	271,877
3	TECHNICAL PROVISIONS	29,228,519	33,657,899
4	FINANCIAL LIABILITIES	2,082,874	2,315,626
4.1	Financial liabilities at fair value through profit or loss	549,722	568,575
4.2	Other financial liabilities	1,533,152	1,747,051
5	PAYABLES	566,141	764,922
5.1	Payables arising from direct insurance business	80,611	96,388
5.2	Payables arising from reinsurance business	62,831	67,876
5.3	Other payables	422,699	600,658
6	OTHER LIABILITIES	4,135,126	612,539
6.1	Liabilities associated with disposal groups	3,615,518	0
6.2	Deferred tax liabilities	109,624	178,189
6.3	Current tax liabilities	52,121	54,101
6.4	Other liabilities	357,863	380,249
	TOTAL EQUITY AND LIABILITIES	39,343,444	40,385,537

INCOME STATEMENT
(in € thousands)

		Q1-3 2013	Q1-3 2012	Q3 2013	Q3 2012
1.1	Net premiums	7,111,648	7,365,014	1,876,780	2,439,327
1.1.1	<i>Gross premiums</i>	7,347,183	7,598,549	1,944,721	2,511,327
1.1.2	<i>Ceded premiums</i>	-235,535	-233,535	-67,941	-72,000
1.2	Commission income	5,500	11,993	-230	7,006
1.3	Gains and losses on remeasurement of financial instruments at fair value through profit or loss	78,315	451,970	70,555	126,455
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	145	431	77	-236
1.5	Gains on other financial instruments and investment property	926,541	914,945	310,985	278,427
1.5.1	<i>Interest income</i>	664,937	607,872	222,596	200,174
1.5.2	<i>Other gains</i>	84,603	130,191	20,477	37,717
1.5.3	<i>Realised gains</i>	174,840	170,080	67,866	40,488
1.5.4	<i>Unrealised gains</i>	2,161	6,802	46	48
1.6	Other income	342,851	225,710	106,211	49,986
1	TOTAL REVENUE AND INCOME	8,465,000	8,970,063	2,364,378	2,900,965
2.1	Net charges relating to claims	-5,967,448	-6,804,411	-1,592,796	-2,356,868
2.1.2	<i>Amounts paid and changes in technical provisions</i>	-6,067,578	-7,017,483	-1,599,143	-2,414,717
2.1.3	<i>Reinsurers' share</i>	100,130	213,072	6,347	57,849
2.2	Commission expenses	-4,493	-5,789	-1,387	-1,371
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	-731	-11,022	2,147	-2,455
2.4	Losses on other financial instruments and investment property	-259,022	-305,325	-76,041	-79,456
2.4.1	<i>Interest expense</i>	-38,376	-45,387	-10,900	-13,452
2.4.2	<i>Other charges</i>	-49,542	-50,664	-15,768	-16,364
2.4.3	<i>Realised losses</i>	-50,373	-68,909	-9,202	-23,282
2.4.4	<i>Unrealised losses</i>	-120,731	-140,365	-40,171	-26,358
2.5	Operating expenses	-1,166,425	-1,227,399	-365,987	-368,792
2.5.1	<i>Commissions and other acquisition costs</i>	-844,892	-910,876	-257,541	-265,122
2.5.2	<i>Investment management expenses</i>	-11,826	-9,679	-3,910	-2,594
2.5.3	<i>Other administration expenses</i>	-309,707	-306,844	-104,536	-101,076
2.6	Other costs	-500,764	-570,987	-82,333	-131,745
2	TOTAL COSTS AND EXPENSES	-7,898,883	-8,924,933	-2,116,397	-2,940,687
	PRE-TAX PROFIT FOR THE PERIOD	566,117	45,130	247,981	-39,722
3	Income taxes	-242,263	-34,741	-95,638	14,024
	NET PROFIT FOR THE PERIOD	323,854	10,389	152,343	-25,698
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	31	-11,509	31	-365
	CONSOLIDATED PROFIT FOR THE PERIOD	323,885	-1,120	152,374	-26,063
	Attributable to the owners of the parent	234,120	-20,971	116,214	-28,536
	Attributable to non-controlling interests	89,765	19,851	36,160	2,473

INCOME STATEMENT BY SEGMENT (in € thousands)

		Non-Life		Life		Real Estate		Other		Inter-segment Eliminations		Total	
		Q1-3 2013	Q1-3 2012	Q1-3 2013	Q1-3 2012	Q1-3 2013	Q1-3 2012	Q1-3 2013	Q1-3 2012	Q1-3 2013	Q1-3 2012	Q1-3 2013	Q1-3 2012
1.1	Net premiums	4,326,333	4,851,506	2,785,315	2,513,508	0	0	0	0	0	0	7,111,648	7,365,014
1.1.1	Gross premiums	4,556,664	5,079,240	2,790,519	2,519,309		0		0		0	7,347,183	7,598,549
1.1.2	Ceded premiums	-230,331	-227,734	-5,204	-5,801		0		0		0	-235,535	-233,535
1.2	Commission income	0	0	476	2,110		0	13,846	17,554	-8,822	-7,671	5,500	11,993
1.3	Gains and losses on remeasurement of financial instruments at fair value through profit or loss	-36,881	1,475	115,296	449,435	-1,182	-628	1,082	1,688	0	0	78,315	451,970
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	126	202	1	0	18	229	0	0	0	0	145	431
1.5	Gains on other financial instruments and investment property	316,472	318,145	564,973	533,363	38,642	39,906	41,313	42,930	-34,859	-19,399	926,541	914,945
1.6	Other income	326,468	297,232	37,981	42,188	14,017	17,084	488,147	402,004	-523,762	-532,798	342,851	225,710
1	TOTAL REVENUE AND INCOME	4,932,518	5,468,560	3,504,042	3,540,604	51,495	56,591	544,388	464,176	-567,443	-559,868	8,465,000	8,970,063
2.1	Net charges relating to claims	-2,926,937	-3,624,886	-3,040,511	-3,179,525	0	0	0	0	0	0	-5,967,448	-6,804,411
2.1.2	Amounts paid and changes in technical provisions	-3,024,579	-3,836,495	-3,042,999	-3,180,988		0					-6,067,578	-7,017,483
2.1.3	Reinsurers' share	97,642	211,609	2,488	1,463		0					100,130	213,072
2.2	Commission expenses	0	0	-467	-1,496		0	-4,026	-4,293		0	-4,493	-5,789
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	-303	-8,603	0	0	-102	-206	-326	-2,213		0	-731	-11,022
2.4	Losses on other financial instruments and investment property	-120,872	-182,206	-61,658	-63,737	-64,493	-52,228	-18,994	-18,602	6,995	11,448	-259,022	-305,325
2.5	Operating expenses	-960,912	-1,034,837	-147,743	-150,198	-136	-149	-243,125	-226,540	185,491	184,325	-1,166,425	-1,227,399
2.6	Other costs	-473,586	-579,842	-71,478	-71,094	-28,407	-39,017	-302,250	-245,129	374,957	364,095	-500,764	-570,987
2	TOTAL COSTS AND EXPENSES	-4,482,610	-5,430,374	-3,321,857	-3,466,050	-93,138	-91,600	-568,721	-496,777	567,443	559,868	-7,898,883	-8,924,933
	PRE-TAX PROFIT (LOSS) FOR THE PERIOD	449,908	38,186	182,185	74,554	-41,643	-35,009	-24,333	-32,601	0	0	566,117	45,130