

PRESS RELEASE

MILANO ASSICURAZIONI S.p.A.: CONSOLIDATED REPORT AT JUNE 30, 2009 APPROVED

**TOTAL PREMIUMS WRITTEN OF EURO 2,155 MILLION (EURO 2,267 MILLION
IN 1H2008*)**

**SOLID GROUP BALANCE SHEET CONFIRMED:
SOLVENCY MARGIN OF 205%**

Direct premiums written

- Non-Life division: Euro 1,630.2 million (-2%)
- Life division: Euro 520.5 million (-13.1%)

Technical performance

- Combined operating ratio increased to 95% from 89.1%; Combined ratio to 100.2% from 94.4%

Operating costs

- Management expenses of Euro 339 million - 16.6% of net premiums

Net profit for the period

- Net Profit of the Group Euro 50.7 million (Euro 135.5 million in 1H2008)

Balance Sheet

- Shareholders' Equity Euro 2,031.3 million (Euro 2,084.6 million at 31/12/2008)
- Solvency Margin approx. 205%, substantially in line with the end of 2008

***Pro-forma data**

Milan, August 4, 2009 - In a meeting chaired by Fausto Marchionni, the Milano Assicurazioni S.p.A. Board of Directors approved the consolidated results for the first half of 2009.

Total premiums written amounted to Euro 2,155 million, a decrease of 4.9% on the same period of the previous year. The 2008 data was restated to take account of the reorganisation at the end of the previous year, enabling comparison.

In the Non-Life Division, direct premiums written totalled Euro 1,630.2 million (-2.0%). The Motor classes fell 3.4% to Euro 1,144.0 million. This result is affected both by the large drop in registrations of new motor vehicles (-10.7% in the first six months of 2009) and by increased

competition within the market. The combined effect of other factors must also be considered: the impact on the Bonus/Malus classes of the "Bersani bis" law; the introduction in 2008 of the new regulations under ISVAP provision No. 2590 according to which lower premium rises are incurred by insured parties involved in claims who are considered of "not principal" responsibility; the resizing, in line with the Group policy, of the multi-claim portfolio.

In this area, the Group has undertaken a series of initiatives to recover profitability which in the short-term include the creation of tariffs aimed at increasing customisation, further improvements in the services to customers and intensified marketing and communication activities.

In the other Non-Life Classes, premiums amounted to Euro 486.2 million, an increase of 1.4%.

The number of Motor TPL claims decreased by 5.1%. Overall, the number of claims reported increased by 3.1%, principally related to Fire Guarantees, Other Property Damage and Land Vehicles hit in a significant manner by natural and catastrophic events in the first half of the year.

Due to that outlined above, the Combined Operating Ratio (Loss+Expense Ratio) amounted to 95%, the Loss Ratio 75.6% and the Expense Ratio improves to 19.4%. For completeness, the total Combined Ratio amounted to 100.2%. In the first half of 2008, the Ratios were respectively 89.1%, 69.2% and 19.9%.

The pre-tax profit of the Non-Life Sector amounted to Euro 50.7 million compared to Euro 169.7 million in the first half of 2008. The drop principally related to the technical performance which - in a particularly difficult market affected by a severe economic crisis - was compounded by adverse natural events, strong price competition and the recent regulatory provisions regarding the sector.

Life premiums written amounted to Euro 520.5 million (-13.1%). This performance follows the significant drop in Class III premiums (-96.8%). There was a repositioning of the portfolio in favour of Class I contracts (+7.4%).

The Division reports a pre-tax profit of Euro 19.6 million, a recovery on Euro 13.1 million in the first half of 2008. This principally owes to higher investment income as the financial markets recovered, particularly in the second quarter.

The Real Estate sector recorded a pre-tax profit of Euro 4 million, substantially in line with the first half of 2008.

The asset and financial management contributed net income from financial instruments and investment property of Euro 215.6 million (Euro 191.4 million in the first half of 2008). The improvement was achieved through trading activities and in spite of continuous drops in bond securities interest rates and the lower dividends from shareholdings. The figure in the first half of 2009 is net of impairment charges of Euro 30.6 million on securities classified in the category Available-for-Sale, made in accordance with the fair value policy already applied in the 2008 annual accounts.

Management expenses, amounting to Euro 339 million, were 16.6% of net premiums.

The Group consolidated net profit for the period amounted to Euro 50.7 million, a decrease on the first half of 2008 (Euro 135.5 million).

The consolidated net equity, including the result for the period and minority interest share, decreased from Euro 2,084.6 million at 31/12/2008 to Euro 2,031.3 million at 30/06/2009. The Group Solvency Margin amounted to 205%, substantially in line with the end of 2008.

Within a financial and economic environment which has weakened in recent months, the Group set out appropriate strategies and initiatives to meet with the difficulties arising in 2009. The real competition will be played out within "costs/services", as it is necessary to safeguard the equilibrium of industrial operations, generating where possible, economies of scale and important economic benefits within the operations.

The objective in the current year is to achieve a positive result, while maintaining a strong balance sheet in the medium-long term period, providing shareholders sufficient remuneration on capital invested.

The initiatives taken and the instruments available to maintain profits enable us to adequately tackle the difficulties presented in the period and will be outlined in the new Industrial Plan which will be presented in October.

The Executive Responsible for the preparation of the corporate accounting documents, Pier Giorgio Bedogni, 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.

Further details on the Group's financial results will be provided to the financial community by the CEO Mr. Fausto Marchionni today at the time of 3:30 PM, through a conference call and webcasting. Information will be available on the Internet site of the company.

The presentation will also be available on the Internet site of the company at the beginning of the conference call.

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.

Press Office

Federica Dal Conte
Claudia Galassi
Tel. +39-02-66.704.324
Tel. +39-02-66.704.366

Ad Hoc Communication Advisor

Sara Balzarotti
Mob. + 39 335 1415584
Pietro Cavalletti
Mob. + 39 335 1415577

Investor Relations

Luca Guasco,
Giancarlo Lana
Floriana Amari
tel. +39-011-66.57.642
tel. +39-02-64.02.25.74
investorrelations@fondiaria-sai.it

Consolidated Profit and Loss

Thousand of Euro

		30/06/2009	30/06/2008 pro- forma	30/06/2008
1.1	Net Retained Premium	2.037.102	2.164.172	1.811.955
1.1.1	Gross premiums written	2.138.613	2.261.195	1.864.421
1.1.2	Outwards reinsurance	-101.511	-97.023	-52.466
1.2	Commissino income	9.189	15.852	15.852
1.3	Net income on financial instruments at fair value through profit and loss	40.038	-36.268	-29.224
1.4	Income from subsidiaries, associates and joint ventures	283	411	411
1.5	Income from other financial instruments and investment property	252.716	269.687	249.183
1.5.1	Interest income	165.747	179.640	160.145
1.5.2	Other income	47.884	72.136	71.728
1.5.3	Realised gains	39.085	17.911	17.310
1.5.4	Unrealised gains		0	0
1.6	Other revenues	85.366	59.738	48.526
1	TOTAL REVENUES	2.424.694	2.473.592	2.096.703
2.1	Net charges relating to claims	1.724.589	1.710.222	1.461.899
2.1.1	Amounts paid and change in technical reserves	1.771.809	1.749.545	1.485.684
2.1.2	Reinsurers' share	-47.220	-39.323	-23.785
2.2	Commission expense	4.313	7.530	7.530
2.3	Charges relating to subsidiaries, associates and joint ventures	6.903	59	59
2.4	Chargers relating to other financial instruments and investment property	77.197	42.052	40.341
2.4.1	Interest expense	7.269	10.071	8.957
2.4.2	Other expense	5.877	4.531	4.298
2.4.3	Realised losses	27.583	22.802	22.550
2.4.4	Unrealised losses	36.468	4.648	4.536
2.5	Management expense	338.994	347.262	281.695
2.5.1	Commissions and other acquisition expense	279.556	281.733	233.817
2.5.2	Investment management expense	3.355	4.534	3.672
2.5.3	Other administrative expense	56.083	60.995	44.206
2.6	Other costs	204.579	179.461	136.648
2	TOTAL COSTS AND CHARGES	2.356.575	2.286.586	1.928.172
	PROFIT (LOSS) FOR THE YEAR BEFORE TAX	68.119	187.006	168.531
3	Tax	19.086	54.819	50.745
	NET PROFIT (LOSS) FOR THE YEAR	49.033	132.187	117.786
4	PROFIT (LOSS) ON DISCONTINUED OPERATIONS	0	0	0
	CONSOLIDATED PROFIT (LOSS)	49.033	132.187	117.786
	attributable to the Group	50.743	135.531	121.132
	attributable to Minorities	-1.710	-3.344	-3.346

Segment Profit and Loss

(thousands of euro)

	Non Life Business	Life Business	Non Life Business	Property Segment	Other Activities Segment	Total
Net retained Premium	1.527.371	509.731	-	-	-	2.037.102
Commission income	-	9.189	-	-	-	9.189
Net income on financial instruments at fair value through profit and loss	23.076	16.962	-	-	-	40.038
Income from subsidiaries, associates and investment property	6.551	-	-	-	-6.268	283
Income from other financial instruments and investment property	102.402	142.543	7.771	-	-	252.716
- Interest income	52.472	113.225	50	-	-	165.747
- Other income	24.556	15.607	7.721	-	-	47.884
- Realised income	25.374	13.711	-	-	-	39.085
- Unrealised gains	-	-	-	-	-	-
Other revenues	64.332	6.492	43	14.499	-	85.366
Total revenues	1.723.732	684.917	7.814	14.499	-6.268	2.424.694
Net charges relating to claims	1.155.137	569.452	-	-	-	1.724.589
Commission expense	-	4.313	-	-	-	4.313
Charges from subsidiaries, associates and investment property	6.718	185	-	-	-	6.903
Charges from other financial instruments and investment property	43.696	30.344	3.134	23	-	77.197
- Interest expense	3.509	3.753	7	-	-	7.269
- Other expense	4.055	423	1.376	23	-	5.877
- Realised losses	22.462	5.121	-	-	-	27.583
- Unrealised losses	13.670	21.047	1.751	-	-	36.468
Management expense	309.606	29.380	8	-	-	338.994
- Commission and other acquisition expense	261.356	18.200	-	-	-	279.556
- Investment management expense	1.271	2.084	-	-	-	3.355
- Other administrative expense	46.979	9.096	8	-	-	56.083
Other costs	157.903	31.621	628	14.427	-	204.579
Total costs and charges	1.673.060	665.295	3.770	14.450	-	2.356.575
Profit (Loss) before tax as at June 30, 2009	50.672	19.622	4.044	49	-6.268	68.119
PROFORMA Profit (Loss) before tax as at June 30, 2008	169.711	13.105	4.118	72	-	187.006

BALANCE SHEET - ASSETS

Thousands of Euro

	30/06/2009	31/12/2008
1 INTANGIBLE ASSETS	372.388	388.809
1.1 Goodwill	264.976	264.976
1.2 Other intangible assets	107.412	123.833
2 PROPERTY, PLANT AND EQUIPMENT	180.183	175.585
2.1 Buildings	38.901	43.323
2.2 Other property, plant and equipment	141.282	132.262
3 REINSURERS' SHARE OF TECHNICAL RESERVES	486.212	481.436
4 INVESTMENTS	12.710.285	12.562.830
4.1 Investment property	710.581	561.055
4.2 Investments in subsidiaries, associates, joint ventures	294.816	282.457
4.3 Investments held to maturity	205.245	174.946
4.4 Loans and receivables	566.655	273.159
4.5 Available-for-sale financial assets	8.976.859	9.240.074
4.6 Assets at fair value through profit and loss	1.956.129	2.031.139
5 RECEIVABLES	989.081	1.165.466
5.1 Receivables relating to direct insurance business	598.490	717.234
5.2 Receivables relating to direct reinsurance business	78.640	105.521
5.3 Other receivables	311.951	342.711
6 OTHER ASSETS	290.446	299.848
6.1 Non-current assets held for sale or discontinued operations	1.366	1.366
6.2 Deferred acquisition costs	44.472	53.963
6.3 Deferred tax assets	87.969	68.172
6.4 Current tax assets	72.264	71.892
6.5 Other assets	84.375	104.455
7 CASH AND CASH EQUIVALENTS	357.248	220.824
TOTAL ASSETS	15.385.843	15.294.798

BALANCE SHEET - SHAREHOLDERS' EQUITY AND LIABILITIES

Thousands of Euro

	30/06/2009	31/12/2008
1 SHAREHOLDERS' EQUITY	2.031.337	2.084.638
1.1 attributable to the Group	1.929.492	1.982.519
1.1.1 Share capital	305.851	305.851
1.1.2 Other equity instruments		
1.1.3 Capital reserves	718.147	718.147
1.1.4 Retained earnings and other equity reserves	1.183.271	1.103.937
1.1.5 (Own shares)	-31.353	-31.353
1.1.6 Reserve for net exchange rate differences		
1.1.7 Gains or losses on available-for-sale financial assets	-295.540	-281.502
1.1.8 Other gains or losses written directly to equity	-1.627	-477
1.1.9 Profit (loss) for the year	50.743	167.916
1.2 attributable to minority interests	101.845	102.119
1.2.1 Capital and reserves	103.370	109.067
1.2.2 Gains or losses written directly to equity	185	-1.293
1.2.3 Profit (loss) for the year	-1.710	-5.655
2 PROVISIONS	85.561	81.828
3 TECHNICAL RESERVES	10.977.740	10.773.473
4 FINANCIAL LIABILITIES	1.730.639	1.792.402
4.1 Financial liabilities at fair value through profit and loss	1.372.854	1.415.231
4.2 Other financial liabilities	357.785	377.171
5 PAYABLES	326.326	264.612
5.1 Payables relating to direct insurance business	50.163	33.858
5.2 Payables relating to direct reinsurance business	32.918	16.849
5.3 Other payables	243.245	213.905
6 OTHER LIABILITIES	234.240	297.845
6.1 Held-for-sale liabilities of discontinued operations		
6.2 Deferred tax liabilities	69.172	82.788
6.3 Current tax liabilities		480
6.4 Other liabilities	165.068	214.577
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	15.385.843	15.294.798