

PRESS RELEASE

2011 GROUP BUDGET APPROVED

Milan, January 27, 2011 - The Board of Directors of Milano Assicurazioni S.p.A. has examined and approved the 2011 Budget.

2011 total premiums are forecast at approx. Euro 3.6 billion – as follows:

- Non-Life - Euro 3.0 billion (of which Motor Euro 2.1 billion and Non-Motor Euro 0.9 billion);
- Life division – Euro 0.6 billion.

The new budget guidelines take account of the recent initiatives taken to improve profitability, despite continued volatility in the general economic situation.

The Non-Life segment forecasts a pre-tax profit of approx. Euro 30 million although with a Combined Ratio, including other technical charges, at approx. 101%, while the life segment forecasts a pre-tax profit of approx. Euro 50 million. The Real Estate and Other Activities sectors expect continued losses.

The net profit is forecast at approx. Euro 50 million. It should be noted however that these forecasts do not include extraordinary operations (with the exception of some real estate disposals already approved or those of an ordinary nature).

The Group solvency margin is expected to exceed 165%, while the dividend policy at the year-end is still uncertain.

From a financial perspective the Group will continue the actions taken to reduce the risk profile and re-balance the asset allocation, with the effects to be borne out in the current year.

Group management will expand upon the forecasts approved today in a conference call with the financial community and through a webcasting on February 3 at 10.30am. The details will be available on the Company's internet site.

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