PRESS RELEASE

MILANO ASSICURAZIONI S.p.A.
Q1 2012 CONSOLIDATED RESULTS APPROVED

TURNAROUND PERFORMANCE WITH CONSOLIDATED NET PROFIT OF EURO 17 MILLION

COMBINED RATIO AT 98.9%

DROP IN MOTOR TPL CLAIMS REPORTED OF 18.2%

ADJUSTED SOLVENCY MARGIN AT APPROX. 138%

Milan, May 8, 2012 - The Milano Assicurazioni S.p.A. Board of Directors approved the consolidated results for the First Quarter of 2012.

The Group reports a consolidated **net profit** of Euro 17 million compared to a loss of Euro 16.6 million in Q1 2011.

This significant result, not impacted by extraordinary items, reflects and confirms the strong operational and management performance in particular in terms of the claims/premium ratio and is in line with budget projections.

Specifically, the **Non-Life division**, reporting total premiums of Euro 729.1 million (-7.1% on Q1 2011), returns a pre-tax profit of Euro 25.7 million compared to a loss of Euro 19.5 million in Q1 2011.
The return to profit follows an overall positive technical performance: the period in fact reports a **combined ratio** of 98.9%, a significant improvement on the December 31, 2011 figure (114.1%) and also improving on March 31, 2011 (101.3%). The claims/premiums ratio stood at 73.3%, improving by one percentage point on Q1 2011. The settlement of prior year claims did not have a significant impact, confirming the strength of the reserves provisioned in the 2011 financial statements.
Improved net financial income of Euro 81.6 million (Euro 56.4 million in Q1 2011) contributed to the result.

The ***Motor Classes*** reports a reduction in premiums of 8% to Euro 513.5 million, impacted significantly by the economic environment and the consequent significant drop in new vehicle registrations, in addition to - although to a lesser extent - the tariff policies implemented at the end of 2011 and continued also throughout the first quarter of 2012.
These policies are focused on a more competitive and less mutual tariff, therefore significantly improving the quality of the portfolio. The first quarter of 2012 confirmed and strengthened the signs of improvement for the current management, with a drop in **claims reported of 18.2%**.

MILANO ASSICURAZIONI S.p.A.
Sede Legale e Direzione
20161 Milano - Via Senigallia, 18/2
Tel. (+39) 02.6402.1 - Fax (+39) 02.6402.2331
www.milass.it

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Direzione e coordinamento FONDIARIA-SAI S.p.A.

In the Motor TPL segment alone the contraction was 17.3% and the frequency decreased by nearly 1 percentage point to 7.8%.

In the ***Non Motor classes***, premiums written totalled Euro 215.6 million (compared to Euro 226.5 million in Q1 2011), with a continuation of the prudent underwriting policy in order to improve overall profitability which currently has been impacted by differentiated technical performances. For example, the Injury and Bond class report particularly satisfactory performances, while the General TPL class continues to report a negative performance, despite a drop in claims reported of 16.8%.

The **Life Division**, which reports a reduction in premiums of 9.2% to Euro 85.7 million, returned a pre-tax profit of Euro 18.7 million (profit of Euro 12.3 million in Q1 2011).
The improvement in the result is principally due to the financial management and in particular the greater differential between the total income and the portion attributable to the policyholders.

The **real estate** sector reports a loss of Euro 1.4 million (a loss of Euro 2.7 million in the previous year) due principally to depreciation and management expenses on properties held by the subsidiary Immobiliare Milano.

Overall the **management expenses** amounted to Euro 153 million (Euro 162.8 million in Q1 2011) with the overall percentage on net premiums remaining substantially stable at 18.6%.

The **asset and financial management** reports overall income of Euro 79.4 million (Euro 53.9 million in Q1 2011). This operational activity includes:

- interest income of Euro 61.1 million compared to Euro 53.5 million in Q1 2011;
- net gains realised of Euro 33.2 million compared to Euro 18.5 million in Q1 2011, principally relating to bond securities;
- impairments of Euro 18.7 million (Euro 20.4 million in Q1 2011), of which Euro 12.1 million impairments on AFS financial instruments (Euro 9.5 million in the equity sector and the remaining part in mutual funds) and Euro 6.6 million in relation to depreciation on property;
- net charges from associated companies amounted to Euro 10.9 million (charges of Euro 4.7 million in the previous year), of which Euro 3.6 million related to Atahotels;
- net income from financial instruments at fair value recognised to the Income Statement amounted to Euro 8.8 million compared to Euro 2.1 million in Q1. 2011).

The **Group net equity** of Euro 1,140.1 million is sufficiently large even for the purposes of the Solvency Margin.

The **Adjusted Consolidated Solvency margin** amounts to approx. 138% (133.8% at December 31, 2011).
The adjusted solvency margin takes account of the provisions introduced by Article 29 paragraph 15 *sexies* of Law 14/2012. While awaiting the enacting provisions of the regulation, it is stated that its application in compliance with Regulation 37 would result in an improvement to the adjusted solvency margin of 3.3%.

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 Income Statement and the Balance Sheet concerning investments, technical reserves and financial liabilities are attached.

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The Board, in addition, noting the resignation in recent days of 7 directors, as previously reported to the market, appointed new directors as replacements, in addition to the appointment of the Chairman and the reincorporation or integration of the internal committees to the Board.

The Board appointed, in accordance with Article 2386 of the civil code, until the next Shareholders' Meeting:

- Mr. Paolo Arbarello;
- Ms. Nicola Maione;
- Mr. Aldo Milanese;
- Mr. Ugo Milazzo;
- Mr. Antonio Salvi;
- Mr. Roberto Schiesari;
- Mr. Giuseppe Tardivo.

All of these directors are independent in accordance with the Self-Governance Code of listed companies and with the Consolidated Finance Act.

Mr. Milanese resigned from the office of director of Milano Assicurazioni on April 26, 2012 following the introduction of the so-called interlocking directorates regulation. Following his resignation from office which was considered incompatible, he was newly considered available to undertake the office of director of the Company.

For all of the other newly appointed directors, a curriculum vitae is attached.

The Board also appointed to the office of Chairman Mr. Massimo Pini, for the duration of the mandate of the Board, and therefore until the approval of the 2013 financial statements.

The Board appointed, for the duration of its mandate, an Executive Committee comprising 6 directors in the persons, in addition to the Chairman, the Vice Chairman and the Chief Executive Officer, of Messrs. Ugo Milazzo, Aldo Milanese and Antonio Talarico.

The Board also appointed a new Internal Control Committee, comprised of Messrs. Nicola Miglietta (in the role of lead coordinator), Nicola Maione and Aldo Milanese, who was also on the Committee before his resignation. The duties allocated by the Board of Directors to the Internal Control Committee include also the examination of transactions with related parties of so-called lesser significance in accordance with the definitions established by Consob regulation No. 17221/2010.

The Board also appointed to the Independent Directors' Committee, incorporated in accordance with the procedure for transactions with related parties of the Company with reference to the proposed integration with the Unipol Group, Nicola Maione, Aldo Milanese (who previously held such office before his resignation) and Antonio Salvi, in addition to Ms. Nicola Miglietta, confirmed in the role.

The Board finally appointed a new Remuneration Committee, comprising of Ms. Nicola Miglietta (in the role of lead coordinator), Ms. Nicola Maione, Mr. Antonio Salvi and Mr. Antonio Talarico.

The Remuneration Committee will be called to draw up proposals to the Board of Directors in relation to the establishment of the fixed remuneration in favour of the members of the board appointed with specific roles, taking account of the proportionality criteria between office undertaken and the measure of remuneration, also in consideration of the capitalisation of the Company, in addition to draw up proposals, if the case, in relation to the variable components of remuneration to be paid to directors within the remuneration policies previously approved by the Shareholders' Meeting.

Taking account of the situation in relation to the Board of Statutory Auditors due to the resignation of all of the standing members and one of the alternate members, which has been communicated to the market, the Board called the Shareholders' Meeting for June 28, 2012, at 10.30 AM, at the Atahotels Executive in Milan, in first call and, where necessary, in second call on June 29, 2012 at the same time and place to appoint a new Board of Statutory Auditors. In this regard, the appointment will take place through the voting of slates.
The mandate of the directors appointed today by the Board will conclude at the meeting and therefore the Shareholders' Meeting will be called also for the appointment of directors.

The Italian version of the press release contains the Curriculum Vitae of the candidates.

Definitions and Glossary

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

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
Pietro Cavalletti
Mob. +39 335 1415577

MILANO ASSICURAZIONI
Consolidated balance sheet

(in Euro thousands)

	31/03/2012	31/12/2011	Cge. %
INVESTMENTS			
Investment property	860.161	910.693	-5,55%
Investments in subsidiaries, associates and joint ventures	99.819	100.416	-0,59%
Investments held to maturity	130.725	128.927	1,39%
Loans and receivables	878.950	905.538	-2,94%
AFS financial assets	6.558.258	6.084.206	7,79%
Financial assets at fair value through the profit or loss account	210.827	226.104	-6,76%
Total investments	**8.738.740**	**8.355.884**	**4,58%**
Property, plant & equipment	52.398	52.350	0,09%
Total non-current assets	**8.791.138**	**8.408.234**	**4,55%**
Cash and cash equivalents	385.894	470.804	-18,04%
Total non-current assets and cash equivalents	**9.177.032**	**8.879.038**	**3,36%**
NET TECHNICAL RESERVES			
Non-Life division technical reserves			
Unearned premium reserve	1.051.825	1.093.043	-3,77%
Claims reserve	4.137.911	4.187.055	-1,17%
Other reserves	2.614	2.897	-9,77%
Total Non-Life reserves	**5.192.350**	**5.282.995**	**-1,72%**
Life technical reserves			
Reserve for sums to pay	47.997	39.652	21,05%
Actuarial reserves	3.253.635	3.375.254	-3,60%
Technical reserves where risk borne by policyholders	124.779	133.304	-6,40%
Other reserves	-57.328	-87.937	-34,81%
Total Life Reserves	**3.369.083**	**3.460.273**	**-2,64%**
Total Net Technical Reserves	**8.561.433**	**8.743.268**	**-2,08%**
FINANCIAL LIABILITIES			
Financial liabilities at fair value through profit or loss	64.367	70.858	-9,16%
Other financial liabilities	284.334	299.339	-5,01%
Total financial liabilities	**348.701**	**370.197**	**-5,81%**

MILANO ASSICURAZIONI
Consolidated Income Statement

(in Euro thousands)

	Q1 2012	Q1 2011
Net premiums	823.774	886.655
Commission income	188	63
Net Income from financial instruments recorded at fair value through profit or loss	8.783	2.124
Income from investments in subsidiaries, associates and joint ventures	271	203
Income from other financial instruments and property investments	115.396	106.724
Interest income	*61.110*	*53.487*
Other income	*13.881*	*13.472*
Profits realised	*40.405*	*39.765*
Valuation gains	*0*	*0*
Other revenue	52.955	50.721
TOTAL REVENUES	**1.001.367**	**1.046.490**
Net charges relating to claims	-643.737	-707.609
Commission expenses	-23	-20
Charges from investments in subsidiaries, associates and joint ventures	-11.185	-4.861
Charges from other financial instruments and property investments	-33.823	-50.287
Interest expense	*-2.838*	*-2.811*
Other charges	*-5.105*	*-5.870*
Losses realised	*-7.172*	*-21.248*
Valuation losses	*-18.708*	*-20.358*
Management expenses	-152.989	-162.816
Commissions and other acquisition expenses	*-124.431*	*-134.364*
Investment management charges	*-1.520*	*-1.078*
Other administration expenses	*-27.038*	*-27.374*
Other expenses	-117.208	-130.924
TOTAL COSTS	**-958.965**	**-1.056.517**
PROFIT/(LOSS) BEFORE TAXES	**42.402**	**-10.027**
Income tax	-26.542	-6.523
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**15.860**	**-16.550**
PROFIT FROM DISCONTINUED OPERATIONS	**1.156**	**0**
CONSOLIDATED PROFIT/(LOSS)	**17.016**	**-16.550**
GROUP PROFIT/(LOSS)	**17.045**	**-16.546**
MINORITY INTEREST PROFIT/(LOSS)	**-29**	**-4**

MILANO ASSICURAZIONI

Consolidated Segment Income Statement - Q1 2012

(Euro thousands)

		Non-Life	Life	Real Estate	Other	IS Eliminations	Total
1.1	Net premiums	740.876	82.898	0			823.774
1.2	Commission income	0	188	0			188
1.3	Income and charges from financial instruments at fair value through profit/loss	3.012	5.799	-28			8.783
1.4	Income from investments in subsidiaries, associates and joint ventures	271	0	0			271
1.5	Income from other financial instruments and property investments	60.316	51.649	3.431			115.396
1.6	Other revenues	50.180	1.722	474	1.346	-767	52.955
1	**TOTAL REVENUES AND INCOME**	**854.655**	**142.256**	**3.877**	**1.346**	**-767**	**1.001.367**
2.1	Net charges relating to claims	-543.039	-100.698	0			-643.737
2.2	Commission expenses	0	-23	0			-23
2.3	Charges from investments in subsidiaries, associates and joint ventures	-11.021	-93	-71			-11.185
2.4	Charges from other financial instruments and property investments	-21.978	-7.571	-4.274			-33.823
2.5	Management expenses	-145.573	-7.416				-152.989
2.6	Other costs	-107.367	-7.748	-937	-1.923	767	-117.208
2	**TOTAL COSTS AND CHARGES**	**-828.978**	**-123.549**	**-5.282**	**-1.923**	**767**	**-958.965**
	PROFIT/(LOSS) BEFORE TAXES Q1 2012	**25.677**	**18.707**	**-1.405**	**-577**	**0**	**42.402**
	Income taxes						-26.542
	Profit from discontinued operations						1.156
	CONSOLIDATED PROFIT Q1 2012						**17.016**

	PROFIT/(LOSS) BEFORE TAXES TO Q1 2011	**-19.511**	**12.252**	**-2.672**	**-96**		**-10.027**
	Income taxes						-6.523
	Profit from discontinued operations						0
	CONSOLIDATED LOSS TO Q1 2011						**-16.550**