

Press Release

Milan, July 9, 2012 – The Board of Directors of Milano Assicurazioni, in a meeting today, approved the Interim Report as at March 31, 2012, as amended and restated to take account of the bankruptcy of the companies SINERGIA HOLDING DI PARTECIPAZIONI S.p.A. and IM.CO. S.p.A. and the relative receivables from the two companies and their subsidiaries concerning the purchase of property complexes and construction contracts.

In this regard the following is reported:

- on May 8, 2012, the Board of Directors of Milano Assicurazioni approved the Quarterly Report in which the valuation of the receivables from IMCO and SINERGIA was based on the assumption of the completion of the restructuring plan pursuant to Article 182-*bis* of the bankruptcy law or, more simply, based on a simple settlement with all the creditors;
- on June 14, 2012, the Second Civil Section of the Milan Court issued the judgement declaring the bankruptcy of IMCO and SINERGIA;
- as the accounting data of the First Quarter 2012 of the Fondiaria-Sai Group must be included in the prospectus for the share capital increase of Fondiaria-Sai approved on June 27, 2012 and, on the request of the consortium and guarantee banks, being subject to a limited review by the independent auditors, it is necessary for Fondiaria-Sai to take account of all the events subsequent to the end of the first quarter 2012 up to the date of the auditors' opinion;
- the bankruptcy of a debtor that occurs after the reporting date (in this case after March 31, 2012) usually confirms that a loss realised on a trade receivable already existed at the reporting date, and the need to adjust the book value of the receivable. Therefore this concerns an event arising after the reporting date which results in an adjustment to the quarter.

Therefore it was considered appropriate to restate the Interim Report at March 31, 2012 of Milano Assicurazioni, although the company is not separately subject to a limited review.

The Milano Assicurazioni Group recognised a further provision of Euro 48.2 million in relation to the receivables due from IMCO and SINERGIA which, net of the tax effect, results in a decrease in the Q1 2012 net result of approx. Euro 35 million.

The result for the first quarter therefore amounts to a net loss of Euro 17 million compared to a net profit of Euro 17 million approved on May 8, 2012. Consequently, the group solvency margin decreases from approx. 138% reported in May to the current 133.5%, therefore significantly above the requested minimum level.

Considering the adjustments made to the interim report and the adjustments to the 2011 financial statements and in the interim report at March 31, 2012 approved on May 8, 2012, the total receivables of the Milano Assicurazioni Group from IMCO and SINERGIA amounts to Euro 78.9 million compared to an original amount of approx. Euro 176 million.

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.

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 Income Statement

(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
<i>Interest income</i>	61.110	53.487
<i>Other income</i>	13.881	13.472
<i>Profits realised</i>	40.405	39.765
<i>Valuation gains</i>	0	0
Other revenues	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
<i>Interest expense</i>	-2.838	-2.811
<i>Other charges</i>	-5.105	-5.870
<i>Losses realised</i>	-7.172	-21.248
<i>Valuation losses</i>	-18.708	-20.358
Management expenses	-152.989	-162.816
<i>Commissions and other acquisition expenses on insurance contracts</i>	-124.431	-134.364
<i>Investment management charges</i>	-1.520	-1.078
<i>Other administration expenses</i>	-27.038	-27.374
Other costs	-165.458	-130.924
TOTAL COSTS	-1.007.215	-1.056.517
LOSS BEFORE TAXES	-5.848	-10.027
Income tax	-13.273	-6.523
NET LOSS FROM CONTINUING OPERATIONS	-19.121	-16.550
PROFIT FROM DISCONTINUED OPERATIONS	1.156	0
CONSOLIDATED LOSS	-17.965	-16.550
GROUP NET PROFIT/(LOSS)	-17.936	-16.546
MINORITY INTEREST SHARE	-29	-4

MILANO ASSICURAZIONI Consolidated Balance Sheet

(Euro thousand)

	March 31, 2012	Dec. 31, 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 profit or loss account	210.827	226.104	-6,76%
Total investments	8.738.740	8.355.884	4,58%
Tangible fixed assets: Property and other fixed assets	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 for risks supported 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%

