

## PRESS RELEASE

### RESULTS FOR THE FIRST HALF OF 2013 APPROVED

- **CONSOLIDATED NET PROFIT TOTALLED €92.8M (€3.1M AT 30 JUNE 2012)**
- **TOTAL DIRECT INCOME OF €1,439M (-12.3%)**
- **COMBINED RATIO AT 92.9% (99.9% AT 30 JUNE 2012)**
- **WITH THE IVASS APPROVAL TO THE MERGER, THE INTEGRATION WITH THE UNIPOL GROUP MOVES FORWARD**

Bologna, 7 August 2013 - The Board of Directors of Milano Assicurazioni S.p.A., meeting today, approved the first half of 2013 consolidated results.

The **consolidated net profit** of €92.8m significantly improved on €3.1m in the first half of 2012, mainly thanks to the Non-Life technical performance and the success of the actions taken to streamline operations from the end of 2012, when the company came under the management of the Unipol Group.

In the first half of the year, **total direct income** (including Life sector investment policies) amounted to €1,439m, down by 12.3% compared to €1,641m in the first half of 2012.

#### **Non-Life business**

In the Non-Life business, direct premiums amounted to €1,261m (-12.2% compared to €1,436m in the first half of 2012).

In the **MV** class, premiums totalled €873.8m (-14.1%), of which €769.7m in the **MV TPL** class (-13.9%) and €104.1m in the **Land Vehicle** class (-15.9%). Premium income continued to be affected by the drop in new vehicle registrations (-10% in the first half of 2013), by the accounting-related effects following the abolition from December 2012 of tacit renewal, as well as by the heightened market competition impacting on the average premium. Against the reduction in premiums, the considerable drop-off in the number of claims reported continued, causing a reduction in claims frequency; the level of prior years' claims provisions proved to be sufficient.

**Non-MV class**<sup>1</sup> premiums totalled €386.7m (-7.5% on the first half of 2012), primarily due to the downsizing of the corporate segment portfolio following the recovery actions taken from the end of 2012.

Overall, the strong technical performance of the business resulted in a **combined ratio**<sup>2</sup>, calculated on direct business, of 92.9% - a significant improvement on 99.9% in the first half of 2012.

The sector reported therefore a **pre-tax profit** of €128.4m, significantly improving on €8.1m in the first half of 2012.

### **Life business**

Total premiums, including Life sector investment policies, amounted to €178.9m, down by 12.7% compared to the same period of the previous year (€204.9m). The performance was not in line with the general market trend, which was driven by the bancassurance channel, in which the Company does not operate.

The Life business reported a **pre-tax profit** of €36.7m, improving on €26.2m in the first half of 2012, also thanks to increased financial asset management returns.

### **Real Estate**

The real estate business recorded a loss of €4.4m, in line with the first half of 2012 (loss of €4.9m). The result principally reflects depreciation and operating expenses concerning the properties held by Immobiliare Milano Assicurazioni.

### **Financial management**

Asset and financial management recorded a **net investment income** of €121.1m (reducing from €143.9 million in the first half of 2012).

### **Balance Sheet**

**Group Equity** amounted to €1,115m, an increase compared to €1,038m at the end of 2012.

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<sup>1</sup> Includes Maritime TPL (Class 12)

<sup>2</sup> Combined ratio: sum of the Loss Ratio (claim and technical charges on earned premiums) and Expense Ratio (general and acquisition charges on written premiums).

The **consolidated solvency margin** significantly improved to 1.3 times the regulatory requirement (1.15 times at 31 December 2012).

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On 25 July 2013, IVASS approved the merger by incorporation into Fondiaria-SAI S.p.A. of Unipol Assicurazioni S.p.A., Premafin Finanziaria S.p.A. and, eventually, Milano Assicurazioni S.p.A..

With the approval of IVASS, the actions already taken concerning the integration with the Unipol Group will be boosted in the coming months, in accordance with the conditions previously communicated to the market.

The merger is a fundamental and integral part of this operation, undertaken in order to establish a leading player in the insurance sector, with a greater focus on the insurance business and strengthening the capital and solvency structure.

The synergies gained from the merger will allow the new entity to benefit from the effects of sharing and strengthening those areas and processes which represent its best practice.

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Massimo Dalfelli, Manager in charge of financial reporting, hereby declares, pursuant to Article 154-bis, second paragraph, of the Consolidated Law on Finance, that the accounting information contained in the press release matches the companies' documentary evidence, accounting books and records.

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#### **Presentation of results to the financial community**

The Milano Assicurazioni results for the first half of 2013 will be presented to the financial community via webcasting as part of the Unipol Group presentation (from the site [www.milass.it](http://www.milass.it)) and in conference call on Thursday, August 8 at 6.30pm. The phone numbers to dial to attend the event are: 02.805.88.11 (from Italy), +1.718.7058794 (from the U.S.), +44.1212.818003 (from other Countries). Financial analysts and institutional investors may ask questions at the end of the presentation following the instructions given by the operator. Other technical details for access to the event are available on the homepage of the website [www.milass.it](http://www.milass.it).

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The Income Statement and the Statement of Financial Position concerning investments, technical provisions and financial liabilities are attached.

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**STATEMENT OF FINANCIAL POSITION - ASSETS**

(in € thousands)

		<b>30/06/2013</b>	<b>31/12/2012</b>
<b>1</b>	<b>INTANGIBLE ASSETS</b>	<b>164,574</b>	<b>234,775</b>
1.1	Goodwill	164,323	230,851
1.2	Other intangible assets	251	3,924
<b>2</b>	<b>PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>5,400</b>	<b>39,009</b>
2.1	Property	1,681	34,737
2.2	Other property, plant and equipment	3,719	4,272
<b>3</b>	<b>TECHNICAL PROVISIONS – REINSURERS SHARE</b>	<b>189,049</b>	<b>340,154</b>
<b>4</b>	<b>INVESTMENTS</b>	<b>5,013,875</b>	<b>8,475,412</b>
4.1	Investment property	472,021	613,188
4.2	Investments in subsidiaries, associates and interests in joint ventures	109,817	111,964
4.3	Held to maturity investments	95,352	185,360
4.4	Loans and receivables	820,218	891,522
4.5	Available-for-sale financial assets	3,428,834	6,508,286
4.6	Financial assets at fair value through profit or loss	87,633	165,092
<b>5</b>	<b>OTHER RECEIVABLES</b>	<b>544,985</b>	<b>975,035</b>
5.1	Receivables relating to direct insurance business	147,937	502,380
5.2	Receivables relating to reinsurance business	31,579	32,505
5.3	Other receivables	365,469	440,150
<b>6</b>	<b>OTHER ASSETS</b>	<b>4,415,034</b>	<b>421,925</b>
6.1	Non-current assets held for sale or disposal groups	4,040,674	
6.2	Deferred acquisition costs	10,104	13,890
6.3	Deferred tax assets	244,388	283,663
6.4	Current tax assets	31,955	42,100
6.5	Other assets	87,913	82,272
<b>7</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b>173,560</b>	<b>320,299</b>
	<b>TOTAL ASSETS</b>	<b>10,506,477</b>	<b>10,806,609</b>

## STATEMENT OF FINANCIAL POSITION – EQUITY & LIABILITIES

(in € thousands)

		30/06/2013	31/12/2012
<b>1</b>	<b>EQUITY</b>	<b>1,116,545</b>	<b>1,039,231</b>
<b>1.1</b>	<b>attributable to the owners of the Parent</b>	<b>1,115,244</b>	<b>1,037,896</b>
1.1.1	Share capital	373,682	373,682
1.1.2	Other equity instruments		
1.1.3	Equity-related reserves	295,471	406,634
1.1.4	Income related and other reserves	308,983	413,991
1.1.5	(Treasury shares)	-31,353	-31,353
1.1.6	Translation reserve		
1.1.7	Gains or losses on available-for-sale financial assets	88,686	106,665
1.1.8	Other gains or losses recognised directly in equity	-13,070	-15,676
1.1.9	Profit (loss) for the period attributable to the owners of the Parent	92,845	-216,047
<b>1.2</b>	<b>attributable to non-controlling interests</b>	<b>1,301</b>	<b>1,335</b>
1.2.1	Share capital and reserves attributable to non-controlling interests	1,347	1,456
1.2.2	Gains and losses recorded directly in equity		
1.2.3	Profit (loss) for the period attributable to non-controlling interests	-46	-121
<b>2</b>	<b>PROVISIONS</b>	<b>63,897</b>	<b>92,101</b>
<b>3</b>	<b>TECHNICAL PROVISIONS</b>	<b>5,106,348</b>	<b>8,874,513</b>
<b>4</b>	<b>FINANCIAL LIABILITIES</b>	<b>154,442</b>	<b>327,405</b>
4.1	Financial liabilities at fair value through profit or loss	69,714	72,510
4.2	Other financial liabilities	84,728	254,895
<b>5</b>	<b>PAYABLES</b>	<b>203,147</b>	<b>312,522</b>
5.1	Payables arising from direct insurance business	13,726	19,495
5.2	Payables arising from reinsurance business	21,133	33,272
5.3	Other payables	168,288	259,755
<b>6</b>	<b>OTHER LIABILITIES</b>	<b>3,862,098</b>	<b>160,837</b>
6.1	Liabilities associated with disposal groups	3,737,092	
6.2	Deferred tax liabilities	43,828	36,078
6.3	Current tax liabilities	2,408	10,096
6.4	Other liabilities	78,770	114,663
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,506,477</b>	<b>10,806,609</b>

## INCOME STATEMENT

In € thousands

		H1 13	H1 12
1.1	Net premiums	1,434,208	1,624,077
1.1.1	Gross premiums	1,506,059	1,685,576
1.1.2	Ceded premiums	-71,851	-61,499
1.2	Commission income	218	357
1.3	Gains and losses on remeasurement of financial instruments at fair value through profit or loss	-2,482	24,586
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	264	557
1.5	Gains on other financial instruments and investment property	174,776	212,541
1.5.1	Interest income	129,630	119,291
1.5.2	Other gains	17,854	27,341
1.5.3	Realised gains	27,292	63,810
1.5.4	Unrealised gains		2,099
1.6	Other income	84,624	91,108
<b>1</b>	<b>TOTAL REVENUE AND INCOME</b>	<b>1,691,608</b>	<b>1,953,226</b>
2.1	Net charges relating to claims	-1,052,977	-1,291,333
2.1.1	Amounts paid and changes in technical provisions	-1,097,728	-1,335,914
2.1.2	Reinsurers' share	44,751	44,581
2.2	Commission expenses	-42	-56
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	-12,018	-8,385
2.4	Losses on other financial instruments and investment property	-39,397	-85,444
2.4.1	Interest expense	-4,475	-5,873
2.4.2	Other charges	-9,774	-11,137
2.4.3	Realised losses	-7,417	-16,722
2.4.4	Unrealised losses	-17,731	-51,712
2.5	Operating expenses	-276,160	-306,847
2.5.1	Commissions and other acquisition costs	-221,626	-247,947
2.5.2	Investment management expenses	-1,929	-2,202
2.5.3	Other administration expenses	-52,605	-56,698
2.6	Other costs	-150,455	-233,880
<b>2</b>	<b>TOTAL COSTS AND EXPENSES</b>	<b>-1,531,049</b>	<b>-1,925,945</b>
	<b>PRE-TAX PROFIT FOR THE PERIOD</b>	<b>160,559</b>	<b>27,281</b>
<b>3</b>	Income taxes	-67,760	-18,830
	<b>NET PROFIT FOR THE PERIOD</b>	<b>92,799</b>	<b>8,451</b>
<b>4</b>	<b>PROFIT (LOSS) FROM DISCONTINUED OPERATIONS</b>		<b>-5,438</b>
	<b>CONSOLIDATED PROFIT FOR THE PERIOD</b>	<b>92,799</b>	<b>3,013</b>
	attributable to the owners of the parent	92,845	3,065
	attributable to non-controlling interests	-46	-52

## Segment Income Statement *in € thousands*

		Non-Life		Life		Real Estate		Other		Inter-segment Eliminations		Total	
		H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012
1.1	Net premiums	1,263,000	1,427,839	171,208	196,238	-	-	-	-	-	-	1,434,208	1,624,077
1.1.1	Gross premiums	1,330,302	1,484,184	175,757	201,392							1,506,059	1,685,576
1.1.2	Ceded premiums	- 67,302	- 56,345	- 4,549	- 5,154							- 71,851	- 61,499
1.2	Commission income			218	357							218	357
1.3	Gains and losses on remeasurement of financial instruments at fair value through profit or loss	- 4,732	14,836	2,250	9,647		103					- 2,482	24,586
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	1	542	245		18	15					264	557
1.5	Gains on other financial instruments and investment property	85,009	111,738	82,997	94,102	6,770	6,701					174,776	212,541
1.6	Other income	78,611	83,686	2,767	5,468	1,207	985	3,382	2,108	- 1,343	- 1,139	84,624	91,108
<b>1</b>	<b>TOTAL REVENUE AND INCOME</b>	<b>1,421,889</b>	<b>1,638,641</b>	<b>259,685</b>	<b>305,812</b>	<b>7,995</b>	<b>7,804</b>	<b>3,382</b>	<b>2,108</b>	<b>- 1,343</b>	<b>- 1,139</b>	<b>1,691,608</b>	<b>1,953,226</b>
2.1	Net charges relating to claims	- 864,106	- 1,064,286	- 188,871	- 227,047	-	-	-	-	-	-	- 1,052,977	- 1,291,333
2.1.1	Amounts paid and changes in technical provisions	- 905,883	- 1,106,679	- 191,845	- 229,235							- 1,097,728	- 1,335,914
2.1.2	Reinsurers' share	41,777	42,393	2,974	2,188							44,751	44,581
2.2	Commission expenses		-	- 42	- 56							- 42	- 56
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	- 10,945	- 7,994	- 971	- 195	- 102	- 196					- 12,018	- 8,385
2.4	Losses on other financial instruments and investment property	- 24,484	- 51,719	- 6,851	- 24,724	- 8,062	- 9,001					- 39,397	- 85,444
2.5	Operating expenses	- 262,927	- 292,431	- 13,233	- 14,416							- 276,160	- 306,847
2.6	Other costs	- 131,029	- 214,104	- 13,065	- 13,217	- 4,184	- 3,487	- 3,520	- 4,211	1,343	1,139	- 150,455	- 233,880
<b>2</b>	<b>TOTAL COSTS AND EXPENSES</b>	<b>- 1,293,491</b>	<b>- 1,630,534</b>	<b>- 223,033</b>	<b>- 279,655</b>	<b>- 12,348</b>	<b>- 12,684</b>	<b>- 3,520</b>	<b>- 4,211</b>	<b>1,343</b>	<b>1,139</b>	<b>- 1,531,049</b>	<b>- 1,925,945</b>
	<b>PRE-TAX PROFIT (LOSS) FOR THE PERIOD</b>	<b>128,398</b>	<b>8,107</b>	<b>36,652</b>	<b>26,157</b>	<b>- 4,353</b>	<b>- 4,880</b>	<b>- 138</b>	<b>- 2,103</b>	<b>-</b>	<b>-</b>	<b>160,559</b>	<b>27,281</b>