

PRESS RELEASE

RESULTS FOR THE FIRST NINE MONTHS OF 2013 APPROVED

- **CONSOLIDATED NET PROFIT OF €169.7M (-€11.5M AT 30 SEPTEMBER 2012)**
- **TOTAL DIRECT INCOME OF €2,011.5M (€2,259.2M AT 30 SEPTEMBER 2012)**
- **COMBINED RATIO OF 92.3% (102.7% AT 30 SEPTEMBER 2012)**

Bologna, 13 November 2013 - The Board of Directors of Milano Assicurazioni S.p.A., which met today, approved the consolidated results for the first nine months of 2013.

The **net consolidated result** showed a profit of €169.7m, a significant improvement compared to the loss of €11.5m reported at 30 September 2012. This result was mainly due to the positive technical performance of the Non-Life business and benefited from the efficiency measures launched at the end of last year for the Company now under the management of the Unipol Group.

At 30 September 2013, the **total direct business income**, including investment policies of the Life classes, amounted to €2,011.5m, a decrease of 11% compared to €2,259.2m for the same period of 2012.

Non-Life Business

In the Non-Life business, direct premium income amounted to €1,758.2m, a decrease of 12% compared to €1,998.1m in the same period of 2012.

In the **MV classes**, premiums amounted to €1,231.9m (-13.7%), of which €1,089.8m collected in the **MV TPL** (-13.5%) and €142m in **Land Vehicles** (-15.9%). The result reflects the effects of the continuation of the portfolio restructuring policy, as well as the steady decline in registrations (-8.3% for the Italian market in the first nine months of 2013). In regard of claims, the reduction in income was offset by a marked reduction in reported claims (-12.6%) and by the steady claims provisions posted at the end of the previous financial year.

Premium income in **Non-MV classes**¹ amounted to €526.3m, a decrease (-7.7%) compared to the first nine months of 2012, mainly due to the downsizing of the corporate portfolio as a result of restructuring actions started in late 2012.

Overall, the positive technical result of the business recorded a **combined ratio**², calculated on direct business, amounting to 92.3%, a significant improvement compared to 102.7% at 30 September 2012.

The sector therefore closed with a **pre-tax profit** of €230.5m, a significant increase compared to the loss of €22.5m as reported in the first nine months of 2012.

Life Business

Total income, which includes the investment policies of the Life classes, amounted to €253.4m, a decrease of 3% over the same period last year. The figure is not in line with the market trend, which is positively driven by bancassurance, a channel through which the Company does not operate.

The segment recorded a **pre-tax profit** of €52.9m, an improvement compared to a profit of €32.1m as reported at 30 September 2012.

Real Estate Business

As envisaged in the 2013-2015 Industrial Plan, preparation for the sale of a portion of real estate assets, already begun in the early months of the financial year, continued. Following a detailed analysis, assets to be sold or subject to operations aimed at increasing profitability during the period are currently being identified.

The business segment, which only includes the real estate companies and Athens closed-end real-estate fund, reported a pre-tax loss of €9.5m (-€5.5m at 30 September 2012).

¹ Includes Watercraft TPL (Class 12)

² Combined Ratio: incidence of loss ratio and other technical charges on accrued premiums and total expenses (general and acquisition expenses) on reported premiums

Financial Management

Financial and asset management reported a **net investment income** of €195.2m (excluding net income from investments with financial risk borne by policyholders), an improvement compared to the results achieved as at 30 September 2012 (€185.4m).

Balance Sheet

Consolidated equity amounted to €1,205m, up from €1,038m at the end of 2012.

The **consolidated solvency margin** was 1.45 times the regulatory requirements, a significant improvement compared to the figure recorded as at 31 December 2012 (1.15 times).

After the approval of the Merger Plan, at the end of October, by the Extraordinary Shareholders' Meetings of Unipol Assicurazioni, Fondiaria-SAI, Premafin and Milano Assicurazioni, as well as by the Special Meeting of Savings Shareholders of Milano Assicurazioni, activities related to integration with the Unipol Group have continued in compliance with the conditions previously disclosed to the market. The merger is an essential step of such operation and is intended to create an operator of primary importance in the insurance industry, **UnipolSai**.

The Manager in charge of financial reporting, Massimo Dalfelli, pursuant to Article 154-bis, paragraph 2, of the Consolidated Law on Finance, declares that the accounting information contained in this press release matches the documentary evidence, corporate books and accounting records.

Presentation of Results to the Financial Community

The results of Milano Assicurazioni in the first nine months of 2013 will be illustrated in the presentation of the Unipol Group to the financial community to be held Thursday, 14 November at 6:30pm via webcasting (from the site www.milass.it) and conference call. The phone numbers to

dial for the event are: 02.805.88.11 (from Italy), +1.718.7058794 (from the U.S.), +44.121.2818003 (from other countries). Financial analysts and institutional investors may ask questions at the end of the presentation following the operator's instructions. The other technical details for access to the event are available on the website www.milass.it.

Please find attached the tables of the Income Statement and the statement of financial position related to investments, technical provisions and financial liabilities.

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BALANCE SHEET - ASSETS

(in € thousands)

		30/09/2013	31/12/2012
1	INTANGIBLE ASSETS	164,593	234,775
1.1	Goodwill	164,323	230,851
1.2	Other intangible assets	270	3,924
2	PROPERTY, PLANTS & EQUIPMENT	5,139	39,009
2.1	Property	1,653	34,737
2.2	Other property, plants and equipment	3,486	4,272
3	TECHNICAL PROVISIONS – REINSURERS SHARE	177,192	340,154
4	INVESTMENTS	5,122,277	8,475,412
4.1	Investment property	466,513	613,188
4.2	Investments in subsidiaries, associates and interests in joint ventures	115,962	111,964
4.3	Held to maturity investments	95,435	185,360
4.4	Loans and receivables	820,636	891,522
4.5	Available-for-sale financial assets	3,534,941	6,508,286
4.6	Financial assets at fair value through profit or loss	88,790	165,092
5	OTHER RECEIVABLES	511,598	975,035
5.1	Receivables relating to direct insurance business	115,371	502,380
5.2	Receivables relating to reinsurance business	21,630	32,505
5.3	Other receivables	374,597	440,150
6	OTHER ASSETS	4,257,937	421,925
6.1	Non-current assets held for sale or disposal groups	3,934,486	
6.2	Deferred acquisition costs	9,897	13,890
6.3	Deferred tax assets	211,239	283,663
6.4	Current tax assets	29,961	42,100
6.5	Other assets	72,354	82,272
7	CASH AND CASH EQUIVALENTS	188,610	320,299
	TOTAL ASSETS	10,427,346	10,806,609

BALANCE SHEET – LIABILITIES

(in € thousands)

		30/09/2013	31/12/2012
1	EQUITY	1,206,279	1,039,231
1.1	Attributable to the owners of the Parent	1,204,911	1,037,896
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	309,006	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	101,755	106,665
1.1.8	Other gains or losses recognised directly in equity	-13,363	-15,676
1.1.9	Profit (loss) for the period attributable to the owners of the Parent	169,713	-216,047
1.2	Attributable to non-controlling interests	1,368	1,335
1.2.1	Share capital and reserves attributable to non-controlling interests	1,448	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	-80	-121
2	PROVISIONS	64,349	92,101
3	TECHNICAL PROVISIONS	5,022,367	8,874,513
4	FINANCIAL LIABILITIES	155,328	327,405
4.1	Financial liabilities at fair value through profit or loss	71,209	72,510
4.2	Other financial liabilities	84,119	254,895
5	PAYABLES	220,222	312,522
5.1	Payables arising from direct insurance business	11,639	19,495
5.2	Payables arising from reinsurance business	20,850	33,272
5.3	Other payables	187,733	259,755
6	OTHER LIABILITIES	3,758,801	160,837
6.1	Liabilities associated with disposal groups	3,629,115	
6.2	Deferred tax liabilities	38,605	36,078
6.3	Current tax liabilities	9,784	10,096
6.4	Other liabilities	81,297	114,663
	TOTAL EQUITY AND LIABILITIES	10,427,346	10,806,609

INCOME STATEMENT

(in € thousands)

		Q1-3 2013	Q1-3 2012	Q3 2013	Q3 2012
1.1	Net premiums	2,075,293	2,320,278	641,085	696,201
1.1.1	<i>Gross premiums</i>	2,182,696	2,413,856	676,637	728,280
1.1.2	<i>Ceded premiums</i>	-107,403	-93,578	-35,552	-32,079
1.2	Commission income	333	444	115	87
1.3	Gains and losses on remeasurement of financial instruments at fair value through profit or loss	-3,499	13,547	-1,017	-11,039
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	401	425	137	-132
1.5	Gains on other financial instruments and investment property	263,716	293,886	88,940	81,345
1.5.1	<i>Interest income</i>	194,857	176,400	65,227	57,109
1.5.2	<i>Other gains</i>	26,240	38,112	8,386	10,771
1.5.3	<i>Realised gains</i>	42,619	77,275	15,327	13,465
1.5.4	<i>Unrealised gains</i>	0	2,099	0	0
1.6	Other income	117,195	128,448	32,571	37,340
1	TOTAL REVENUE AND INCOME	2,453,439	2,757,028	761,831	803,802
2.1	Net charges relating to claims	-1,524,783	-1,921,382	-471,806	-630,049
2.1.1	<i>Amounts paid and changes in technical provisions</i>	-	-1,985,997	-486,678	-650,083
2.1.2	<i>Reinsurers' share</i>	59,623	64,615	14,872	20,034
2.2	Commission expenses	-62	-78	-20	-22
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	-6,001	-9,692	6,017	-1,307
2.4	Losses on other financial instruments and investment property	-56,993	-105,591	-17,596	-20,147
2.4.1	<i>Interest expense</i>	-5,884	-8,318	-1,409	-2,445
2.4.2	<i>Other charges</i>	-15,467	-15,837	-5,693	-4,700
2.4.3	<i>Realised losses</i>	-8,769	-19,690	-1,352	-2,968
2.4.4	<i>Unrealised losses</i>	-26,873	-61,746	-9,142	-10,034
2.5	Operating expenses	-403,009	-436,942	-126,849	-130,095
2.5.1	<i>Commissions and other acquisition costs</i>	-320,206	-349,154	-98,580	-101,207
2.5.2	<i>Investment management expenses</i>	-2,848	-2,879	-919	-677
2.5.3	<i>Other administration expenses</i>	-79,955	-84,909	-27,350	-28,211
2.6	Other costs	-188,496	-280,303	-38,041	-46,423
2	TOTAL COSTS AND EXPENSES	-2,179,344	-2,753,988	-648,295	-828,043
	PRE-TAX PROFIT FOR THE PERIOD	274,095	3,040	113,536	-24,241
3	Income taxes	-104,462	-9,014	-36,702	9,816
	NET PROFIT FOR THE PERIOD	169,633	-5,974	76,834	-14,425
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	0	-5,616	0	-178
	CONSOLIDATED PROFIT FOR THE PERIOD	169,633	-11,590	76,834	-14,603
	Attributable to the owners of the parent	169,713	-11,513	76,868	-14,578
	Attributable to non-controlling interests	-80	-77	-34	-25

INCOME STATEMENT BY SEGMENT (in € thousands)

		Non-Life		Life		Real Estate		Other		Inter-segment Eliminations		Total	
		Q1-3 2013	Q1-3 2012	Q1-3 2013	Q1-3 2012	Q1-3 2013	Q1-3 2012	Q1-3 2013	Q1-3 2012	Q1-3 2013	Q1-3 2012	Q1-3 2013	Q1-3 2012
1.1	Net premiums	1,832,543	2,071,188	242,750	249,090	-	-	-	-	-	-	2,075,293	2,320,278
1.1.1	Gross premiums	1,933,721	2,157,534	248,975	256,322							2,182,696	2,413,856
1.1.2	Ceded premiums	-101,178	- 86,346	-6,225	- 7,232							- 107,403	- 93,578
1.2	Commission income			333	444							333	444
1.3	Gains and losses on remeasurement of financial instruments at fair value through profit or loss	- 5,371	3,111	1,872	10,333		103					- 3,499	13,547
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	9	410	374		18	15					401	425
1.5	Gains on other financial instruments and investment property	124,732	149,447	130,393	134,274	8,591	10,165					263,716	293,886
1.6	Other income	108,591	118,702	3,922	5,947	1,879	1,542	5,057	4,950	- 2,254	- 2,693	117,195	128,448
1	TOTAL REVENUE AND INCOME	2,060,504	2,342,858	379,644	400,088	10,488	11,825	5,057	4,950	- 2,254	- 2,693	2,453,439	2,757,028
2.1	Net charges relating to claims	- 1,242,421	- 1,615,719	- 282,362	- 305,663	-	-	-	-	-	-	1,524,783	- 1,921,382
2.1.1	Amounts paid and changes in technical provisions	- 1,297,705	- 1,676,461	- 286,701	- 309,536							-	- 1,985,997
2.1.2	Reinsurers' share	55,284	60,742	4,339	3,873							1,584,406	64,615
2.2	Commission expenses		-	- 62	- 78							- 62	- 78
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	- 5,682	- 9,221	- 217	- 275	- 102	- 196					- 6,001	- 9,692
2.4	Losses on other financial instruments and investment property	- 34,696	- 64,921	- 8,973	- 27,506	- 13,324	-13,164					- 56,993	- 105,591
2.5	Operating expenses	- 382,042	- 416,327	- 20,967	- 20,615							- 403,009	- 436,942
2.6	Other costs	- 165,169	- 259,186	- 14,128	- 3,828	- 6,594	-3,982	-4,859	- 6,000	2,254	2,693	- 188,496	- 280,303
2	TOTAL COSTS AND EXPENSES	- 1,830,010	- 2,365,374	- 326,709	- 367,965	-20,020	-17,342	-4,859	- 6,000	2,254	2,693	2,179,344	- 2,753,988
	PRE-TAX PROFIT (LOSS) FOR THE PERIOD	230,494	- 22,516	52,935	32,123	- 9,532	-5,517	198	- 1,050	-	-	274,095	3,040