

PRESS RELEASE

PROJECT TO REORGANISE UGF GROUP INSURANCE BUSINESS COMPLETED 'UGF ASSICURAZIONI S.p.A.' WILL BE OPERATIONAL AS FROM 1 FEBRUARY 2009.

Today's execution of the merger and hive-down deeds brings to a close the project to reorganise UGF insurance business, of which the market was informed on 26 June 2008.

The following will take effect on 1 February 2009:

- **the merger of Aurora Assicurazioni S.p.A. and Unipol Assicurazioni S.p.A., which will form a single large insurance company – the third largest in the Italian market – and take the name of 'UGF Assicurazioni S.p.A.';**
- **the hive-down to UGF Assicurazioni of the class of business of the holding company Unipol Gruppo Finanziario S.p.A. dealing with insurance services;**

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Further to the press releases issued on 26 June and 7 August 2008, today saw the signing of (i) the deed incorporating Aurora Assicurazioni into Unipol Assicurazioni and (ii) the deed hiving down, from UGF to the company resulting from the merger, its services dealing with UGF Group insurance business.

Both operations were authorised by ISVAP in its ruling of 29 December 2008.

Subject to these deeds being entered in the relevant Companies' Registers, the merger will come into effect for legal purposes on 1 February 2009 and for accounting and tax purposes as from 1 January 2009. The hive-down will come into effect for legal, accounting and tax purposes on 1 February 2009, immediately after the merger.

The insurance company resulting from the merger will take the name of **'UGF Assicurazioni S.p.A.'** and will continue to benefit from the commercial strength (1,672 agencies as at 30 September 2008) of the current brand names **'Unipol'** and **'Aurora'**, each of which will keep its own identity and commercial capacity.



The execution of the merger and hive-down deeds concludes the project to reorganise UGF Group insurance business and gives rise to the third largest Italian composite insurance company. Based on figures as at 31 December 2007 (from the latest annual accounts approved by the companies involved in the merger) UGF Assicurazioni has total Non-Life direct income of €3,791m and total Life direct income of €1,689m.

In line with the hive-down and merger operations carried out in 2007, the purpose of the project was to create a simpler and more transparent Group organisational model, with the aim of allocating the holding functions to UGF and the operational functions to the insurance companies controlled by UGF, eliminating overlapping and identifying responsibilities more clearly.

The principal target of the hive-down is the class of business – including its 2,293 employees, 40 of whom are senior executives (as at 30 June 2008) – that provides auxiliary, related and/or useful services to the insurance companies in the UGF Group. The aim is to maximise the efficiency of the company resulting from the merger in carrying out insurance business, with the services, functions and departments that are purely auxiliary and/or useful to the insurance business being centralised in the company resulting from the merger. However, all the services, functions and departments dealing with managing the Group and those providing some administrative services will remain within UGF.

The hive-down will not involve any amendment to UGF's aims and objectives.

The net equity value of the business hived down amounts to €600,000.00. This is the value estimated by the independent expert appointed by the Chairman of the Bologna Court, in accordance with and for the purposes of Article 2343 of the Italian Civil Code. Under the hive-down the book and tax values will not change, in accordance with and for the purposes of Article 176 of Presidential Decree 917 of 22 December 1986.

The hive-down and the merger have no effect on UGF's consolidated equity, profits and investments.

The hive-down is an operation between related parties since the conferor is the sole shareholder of the conferee; therefore there are no specific risks of potential conflicts of interest between the related parties involved in the operation.

There is no provision for variations to the remuneration of the directors of UGF nor of its subsidiaries as a result of the hive-down. In this regard it must be pointed out that UGF Assicurazioni will be governed by a Board of Directors made up of 15 members and chaired by Mr Pierluigi Stefanini.

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This press release was drawn up in accordance with Article 71 bis of CONSOB Regulation 11971/1999 and subsequent amendments.

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