

PRESS RELEASE

The Board of Directors approves the FY2003 Accounts

- **Consolidated Profit: Euro 321.4 m.**
- **Combined Ratio: 91.5%**
- **Gross Premiums Written: Euro 9,243.4 m. (+7.8%)**
- **Proposal of a dividend of Euro 0.4 per ordinary share (+54%)**

Milan, March 26th, 2004. The Board of Directors of Fondiaria-SAI S.p.A. met today, chaired by Jonella Ligresti and examined and approved the draft FY2003 Parent Company and consolidated accounts .

The consolidated profit and loss account showed a **net consolidated profit of Euro 321.4 m.**, higher than the target set in the Industrial Plan.

Premiums written reached Euro 9,243.4 m. (+7.8%). More specifically, direct premiums rose to Euro 9,214.2 m. (+8.1%).

In Non life business the Group's leadership in the domestic market was confirmed, as total premiums reached Euro 6,823.5 m. (+4.1%), of which Euro 4,820.9 m. (+4.9%) in Motor business.

In Life business premiums totalled Euro 2,419.9 m. (+20%), a result due both to the positive contribution made by the Agency Network and the effectiveness of bancassurance agreements.

Total gross technical reserves amounted Euro 24,871 m. (Euro 23,203 m. in 2002), showing a claims ratio in the P&C business of 164.3 % (against 164% in 2002).

Investments totalled Euro 24,381 m. against Euro 23,186 m. in 2002 (+5.15%) and include Euro 18,919 m. in bonds and shares, Euro 2,385 m. in real estate and Euro 2,708 m. in Class D investments (the risk of which is borne by policyholders). The Group's total debts were halved from Euro 1,826 m. in 2002 to Euro 963 m. in 2003.

The total operating margin rose from Euro 219 m. to Euro Mln. 466 thanks to good results in Non life business, improvements in the Life sector and recovering investment income.

After investment income, which includes significant spin-off from the disposal of real estate amounting to more than Euro 175 m., and losses related to the sale of holdings in Swiss Life Rentenanstalt, pre-tax profits were up at Euro 658 m. (against Euro 214 m. in 2002), while net profits reached Euro 321.4 m. (Euro 48.2 m. in 2002), of which Euro 217.3 m. attributable to the Group.

Group ROE rose to 8.9% (1.8 % in 2002).

Parent Company results showed a considerable improvement on the P&C technical side (Euro 295.2 m.), enabling the final profit to reach Euro 133.1 m. (Euro 72.4 m. in 2002), even though write-downs in "Class C" investments totalled Euro 299.7 m., of which Euro 282 m. referred to equity.

Gross premiums written totalled Euro 4,901.7 m. (Euro 4,677.9 m. in 2002), with an increase of 4.79%.

In non life business premiums rose to Euro 3,853.6 m. against Euro 3,745.4 m. in 2002 (+2.89%), of which Euro 3,785.5 m. were from direct business against Euro 3,672.7 m. in 2002 (+12.8%).

Thanks to ongoing portfolio selection, the Non life technical result highlights the continuous improvement both in the Motor business – even though the average cost of claims continues to rise - and in the Non motor sector.

The Life technical result was significant (Euro 8.4 m., compared with Euro 1.9 m. in 2002) notwithstanding the negative impact of more than Euro 17 m. due to the out-of-court settlement of the litigation with Consap regarding the so called "legal cessions".

Total gross technical reserves amounted to Euro 13,345 m., of which Euro 6,445 m. in Non life (Euro 6,272 m. in 2002) and Euro 6,900 m. in Life (Euro 6,514 m. in 2002), showing an increase of 4%.

Total investment income rose by more than 4.5% to Euro 447 m. (Euro 428 m. in 2002).

The P&L accounts include write-downs, particularly in the equity sector, for a total of 299 million Euro.

The total operating margin was extremely positive (+ Euro 105 m. compared with a loss of Euro 10 m. in 2002). Investment income benefited from the high realised gains (more than Euro 75 m.) made by the real estate spin-off .

The Board decided to propose to the Shareholders' Meeting, convened for April 27th 2004 at 11 a.m. local time in Florence (first call) and for April 28th 2004 at the same time and place (second call), the payment of a gross dividend of Euro 0.4 per ordinary share and of Euro 0.452 per savings share, with a payout ratio of 51.5% .

The dividend will be payable from May 27th 2004.

The Meeting will also consider the proposal of changes in the Company's bylaws, related to Corporate Law reform.

The draft of the Parent Company's accounts and the consolidated accounts approved today by the Board of Directors will be available to all shareholders, according to law, both at the Company's Head Office and at Borsa Italia in lieu of the 4Q03 accounts.

CEO Fausto Marchionni declared: "Within one year of the merger between SAI and Fondiaria we can say that we have not only reached, but even exceeded our targets in terms of efficiency and solvency. Fondiaria-SAI Group has demonstrated that it possesses all the requirements needed to consolidate and without doubt to improve on its position in the financial and insurance markets. On this basis we can look forward with confidence towards our objectives for 2004 ".

FONDIARIA - SAI SPA

SIMPLIFIED PROFIT AND LOSS ACCOUNT

(thousand EURO)	31.12. 2003	31.12. 2002
Non life technical result	295.177	244.356
Life technical result	8.375	1.884
Non life net investment income	-90.913	-175.590
Investment income transferred to life technical accounts	19.818	0
Other income, net of expenses	-127.739	-81.059
ORDINARY RESULT	104.718	-10.409
Extraordinary profits	158.314	215.140
Extraordinary costs	-11.773	-52.461
EXTRAORDINARY RESULT	146.541	162.679
PRE TAX RESULT	251.259	152.270
TAX	-118.199	-79.897
NET PROFIT	133.060	72.373

SIMPLIFIED BALANCE SHEET

(thousand EURO)	ASSETS	31.12. 2003	31.12. 2002
	INTANGIBLE ASSETS	609.216	677.935
	INVESTMENTS	14.446.849	14.345.010
	DEBTORS	1.633.594	1.596.991
	OTHER ASSETS	825.050	886.886
	TOTAL ASSETS	17.514.709	17.506.822
(thousand EURO)	LIABILITIES	31.12. 2003	31.12. 2002
	SHAREHOLDERS' CAPITAL	2.319.586	2.232.221
	SUBORDINATED LIABILITIES	400.000	400.000
	NET TECHNICAL RESERVES	12.854.553	12.192.714
	PROVISIONS FOR OTHER RISKS AND CHARGES	368.727	363.525
	DEPOSITS RECEIVED FROM REINSURERS	152.916	128.073
	CREDITORS AND OTHER LIABILITIES	1.418.927	2.190.289
	TOTAL LIABILITIES	17.514.709	17.506.822

FONDIARIA - SAI GROUP

SIMPLIFIED PROFIT AND LOSS ACCOUNT

(thousand EURO)	31.12. 2003	31.12. 2002
Non Life technical result	531.522	498.045
Life technical result	43.943	13.017
Non life net investment income	517.098	228.174
Investment income transferred to life technical accounts	-418.148	-382.014
Other income, net of expenses	-208.476	-138.199
ORDINARY RESULT	465.939	219.023
Extraordinary profits	294.505	269.958
Extraordinary costs	-102.275	-274.663
EXTRAORDINARY RESULT	192.230	-4.705
PRE TAX RESULT	658.169	214.318
TAX	-336.752	-166.149
CONSOLIDATED NET PROFIT	321.417	48.169
Minorities	104.136	8.003
Group's net profit	217.281	40.166

SIMPLIFIED BALANCE SHEET

(thousand EURO)	ASSETS	31.12. 2003	31.12. 2002
	INTANGIBLE ASSETS	1.233.821	1.285.860
	INVESTMENTS	24.380.682	23.186.242
	DEBTORS	3.033.162	2.868.479
	OTHER ASSETS	1.556.996	1.418.246
	TOTAL ASSETS	30.204.661	28.758.827
(thousand EURO)	LIABILITIES	31.12. 2003	31.12. 2002
	SHAREHOLDERS' CAPITAL	3.082.674	2.869.755
	SUBORDINATED LIABILITIES	400.000	400.000
	NET TECHNICAL RESERVES	23.679.191	21.838.241
	PROVISIONS FOR OTHER RISKS AND CHARGES	803.584	587.693
	DEPOSITS RECEIVED FROM REINSURERS	326.116	357.670
	CREDITORS AND OTHER LIABILITIES	1.913.096	2.705.468
	TOTAL LIABILITIES	30.204.661	28.758.827