



**GUIDELINES APPROVED OF THE SPIN-OFF PROJECT OF THE
SUBSIDIARY IMMOBILIARE LOMBARDA S.p.A.**

JOINT PRESS RELEASE

In accordance with article 114 of Legs. Decree No. 58/98

THE BOARD OF DIRECTORS OF FONDIARIA-SAI S.p.A. AND MILANO ASSICURAZIONI S.p.A. APPROVE THE GUIDELINES OF THE PARTIAL NON PROPORTIONAL SPIN-OFF PROJECT OF THE 100% HELD SUBSIDIARY IMMOBILIARE LOMBARDA S.p.A.

Milan, June 17, 2009

The Board of Directors of Fondiaria-SAI S.p.A. ("**FONDIARIA-SAI**") and of Milano Assicurazioni S.p.A. ("**MILANO ASSICURAZIONI**", and together with Fondiaria-SAI the "**Insurance Companies**") today approved the guidelines of a reorganisation of the activities of Immobiliare Lombarda S.p.A. ("**IMMOBILIARE LOMBARDA**" or the "**Company**") – a company entirely held by FONDIARIA-SAI (60.97%) and MILANO ASSICURAZIONI (39.03%).

This operation - concluding the final phase of the corporate-industrial restructuring project approved and communicated to the market in January 2008 and begun with the takeover bid which resulted in the delisting of IMMOBILIARE LOMBARDA – will allocate the majority of assets and related liabilities of the Company directly to the shareholder Insurance Companies through a partial non proportional spin-off (hereafter "**the Operation**" or also "**the Spin-off**") of IMMOBILIARE LOMBARDA into two newly incorporated companies (hereafter also the "**Newco's**") to be subsequently merged into the respective Insurance Companies.

The basis for the Operation, in line with that announced to the market, is to separate, within the Fondiaria-SAI Group, the real estate management, a role which will remain with the "new" post spin-off IMMOBILIARE LOMBARDA with its specialised technical know-how, and institutional investment within the same sector - this latter attributed to the two Insurance Companies as institutional investors.

In this manner the “new” IMMOBILIARE LOMBARDA which will remain after the spin-off will adopt a new mission, changing from a diversified real estate operator, as well as captive, of the FONDIARIA-SAI Group, to a specialised operator in the consultancy and the provision of services relating to the management and development of both Group and third party real estate assets, open to commercial alliances with other real estate operators with whom it can expand its presence in the sector.

The Operation presents current and future advantages in terms of the rationalisation of assets covering the reserves of the Insurance Companies, as well as further potential advantages:

- optimisation and control of the management of investments in development projects;
- optimisation of the programming of financial cash flows of the Group, in order to balance the needs of the insurance sector with that of the real estate sector;
- maximisation of returns for the shareholder, through the above-mentioned separation of the management and investment roles within the Group investment policies.

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The Spin-off will take place through the assignment by IMMOBILIARE LOMBARDA to the two Newco’s of the principal assets (property, holdings in real estate companies, development projects and the shareholding in IGLI) which will constitute the respective portfolios, allocated based on the updated balance sheet situation at May 31, 2009 which will be approved by the Board of Directors of IMMOBILIARE LOMBARDA and with the attribution to each Insurance Company of its shareholding, representing the entire share capital of the respective Newco, against the cancellation of the corresponding number of shares held by FONDIARIA-SAI and MILANO in IMMOBILIARE LOMBARDA.

In relation to the composition of the two portfolios, the guidelines approved provide that, amongst other matters, each asset will be transferred to the respective NEWCO, where possible, together with the receivable and payable accounts relating to the same asset, with the principal real estate development initiatives included in the portfolio allocated to the Newco entirely held by MILANO ASSICURAZIONI, while the holding in IGLI S.p.A. is equally distributed among the two NEWCO’S.

The Spin-off project – which will be approved by the Board of Directors of IMMOBILIARE LOMBARDA and subsequently put to the shareholders’ meeting of this latter – provides that the Newco held 100% by FONDIARIA-SAI will be allocated a portion of the net equity of the spun-off company amounting to approx. Euro 409 million, while the Newco held 100% by MILANO ASSICURAZIONI will be allocated a portion of the net equity of the spun-off company totalling approx. Euro 242 million. The net equity of IMMOBILIARE LOMBARDA after the spin-off will be approx. Euro 25 million. The operation provides, as a requirement of the Spin-off, the purchase by FS of a holding of approx. 3% in the share capital of IMMOBILIARE LOMBARDA from MILANO ASSICURAZIONI prior to the spin-off. As a result of this transfer, the Spin-off will not result in any monetary payment by the beneficiaries and will be completed by the second half of 2009.

The correctness of the share swap operation as identified by IMMOBILIARE LOMBARDA with the approval of the Spin-off project will be subject to a declaration by the expert appointed by the Board of Directors of IMMOBILIARE LOMBARDA pursuant to article 2501.6, third paragraph of the civil code for the preparation of the report in accordance with article 2501.6, first paragraph of the civil code, as required in the case of spin-off operations by article 2506.3, first paragraph of the civil code.

The Board of Directors of FONDIARIA-SAI and of MILANO ASSICURAZIONI, given the significance of the operation, as well as in consideration of its nature as an inter-group operation, in conformity with the applicable regulations and the conduct principles adopted by the Insurance Companies, each appointed their own independent advisor and specifically KPMG ADVISORY S.p.A. for FONDIARIA-SAI and CREDIT SUISSE SECURITIES (EUROPE) LIMITED for MILANO ASSICURAZIONI (the "ADVISORS") to assist the Boards through valuation indications, amongst other matters, of the economic value of the investments currently held by IMMOBILIARE LOMBARDA and the economic value attributed to the portfolios subject to the spin-off and allocated to the two Newco's, taking account also of the value of the investments which will be residually held by Immobiliare Lombarda after the operation.

It is also noted that:

- the Spin-off operation is an operation with related parties of the group headed by FONDIARIA-SAI, in accordance with article 2, paragraph 1, letter h) of Consob Regulation No. 11971/99 in that: (i) IMMOBILIARE LOMBARDA is controlled in accordance with article 2359 of the civil code by FONDIARIA-SAI and is subject to direction and coordination of the same parent company as per articles 2497 and subsequent of the civil code; and (ii) MILANO ASSICURAZIONI is in turn controlled by FONDIARIA-SAI in accordance with article 93 of Legislative Decree 58/98 and subject to direction and coordination by the same parent company in accordance with articles 2497 and subsequent of the civil code;
- in line with applicable regulations and that contained in the "Principles of Conduct for significant operations and with related parties" approved by the Boards of Directors of FONDIARIA-SAI and of MILANO ASSICURAZIONI, in order to ensure compliance with the criteria for substantial and procedural correctness with regard to the decisions undertaken, the Directors with interests pursuant to article 2391 of the civil code, in the meetings of the Board of Directors of FONDIARIA-SAI and of MILANO ASSICURAZIONI (which approved the guidelines of the reorganisation operation of the activities of IMMOBILIARE LOMBARDA), provided the declarations required.
- as a consequence of the Spin-off operation, the amount of the remuneration paid to the members of the board of directors of FONDIARIA-SAI and of MILANO ASSICURAZIONI and of IMMOBILIARE LOMBARDA will not change.
- the operation is subject to the issue, by the relevant supervisory authority (ISVAP), of the necessary authorisations, required based on applicable regulations, in particular for the acquisition of control of the two Newco's by FONDIARIA-SAI and by MILANO ASSICURAZIONI.

Finally, in consideration of the type of operation, it is held that the operation will not have effects on the safeguarding of the assets of the two insurance companies, nor on the

completeness or the correctness of the information relating to the same, including that of an accounting nature, and therefore the conditions of article 71-bis of Consob Regulation 11971/1999 and successive modifications are not applicable. In consideration of the nature of the operation and the parties involved, the present press release provides adequate disclosure.

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MILANO ASSICURAZIONI also announces that following further examination and evaluation an agreement was reached with Sinergia Holding di Partecipazioni S.p.A. for the mutual resolution of the preliminary purchase/sale contract of Società Agricola Tenuta Cesarina S.r.l., which was announced on December 30, 2008 and January 5, 2009.

FONDIARIA-SAI and MILANO ASSICURAZIONI finally announce that on May 29, 2009 the purchase from Sinergia Holding di Partecipazioni S.p.A. and Raggruppamento Finanziario S.p.A. of 100% of the share capital of Atahotels S.p.A. was completed. The final purchase price was Euro 25 million. For details, reference should be made to the press releases of December 30, 2008 and January 5, 2009.

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