

## PRESS RELEASE

### 2011 BUDGET AND NEW ORGANISATIONAL STRUCTURE APPROVED

*Milan, January 27, 2011* - The Board of Fondiaria-Sai S.p.A. has reviewed and approved the new 2009-2011 Business Plan, previously announced to the financial community following the recent altered market conditions.

2011 total premiums are forecast at approx. Euro 12.5 billion – as follows:

- Non-Life - Euro 7.2 billion (of which Motor Euro 4.6 billion and Non-Motor Euro 2.6 billion);
- Life division – Euro 5.3 billion.

The new budget guidelines take account of the recent initiatives taken to improve profitability, despite continued volatility in the general economic situation.

The Non-Life segment expects substantial pre-tax breakeven to be reported although with a Combined Ratio, including other technical charges, at approx. 101%, while the life segment forecasts pre-tax profits of approx. Euro 140 million. The Real Estate and Other Activities sectors expect continued losses.

The net profit is forecast to exceed Euro 50 million. It should be noted however that these forecasts do not include extraordinary operations (with the exception of some real estate disposals already approved or those of an ordinary nature).

With full uptake of the share capital increase in the maximum amount approved by the Shareholders' Meeting of January 26, the Group solvency margin is expected to reach 120%, while the dividend policy at the year-end is still uncertain.

From a financial perspective the Group will continue the actions taken to reduce the risk profile and re-balance the asset allocation, with the effects to be borne out in the current year.

The Board of Directors of Fondiaria-Sai S.p.a. also approved the new Group organisational structure which unites departments and responsibilities in order to establish greater efficiency.

Some duties have been re-allocated and two new managers have been brought into the company. Remo Sinatra (External Relations) and Fausto Rapisarda (General Secretary, Legal and Corporate Affairs) will report to Jonella Ligresti.

Robert Tann with extensive international experience in the insurance and finance fields (Real Estate and Strategic Planning), Piergiorgio Bedogni (Administration, Corporate Center and Control



Departments), Giulio Carlo Dell'Amico, coming from McKinsey (Non-Insurance Diversified Companies), Raffaele Guasco (Group Management Control, Investor Relations and Other Channels), Remo Sinatra (Human Resources and Organisation, Procurement), Andrea Novarese (M&A, Investments and Overseas) will report to the Chief Executive Officer Emanuele Erbetta.

The two direct managers Ettore Rigamonti (Non-Life and Networks) and Stefano Carlino (General Management, Finance and Life Divisions, Italian Non-Life subsidiaries) will also report to the Chief Executive Officer.

Group management will expand upon the forecasts approved today in a conference call with the financial community and through a webcasting on February 3 at 10.30am. The details will be available on the Company's internet site.

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