PRESS RELEASE

GRUPPO FONDIARIA SAI: Q1 2012 CONSOLIDATED RESULTS APPROVED.

- **GROUP RETURNS TO PROFIT, EURO 73.5 MILLION (LOSS OF EURO -24.9 MILLION Q1 2011)**
- **NON-LIFE COMBINED RATIO UNDER 100%**
- **SHARP FALL IN MOTOR TPL CLAIMS REPORTED: -15.4%**
- **STRONG RECOVERY IN ADJUSTED SOLVENCY: Margin increases to 91.6% from 78.2% at end of 2011**
- **LIQUIDITY HELD OF APPROX. EURO 940 MILLION**

Euro Million	**Q1 2012**	**Q1 2011**	
Premiums written	**2,494.6**	**2,989.0**	**-16.5%**
CoR	**99.1%**	**100.9%**	
CoR Operativo	**92.4%**	**94.9%**	

Milan, May 10, 2012 - The Fondiaria-SAI S.p.A. Board of Directors, meeting today, approved the consolidated results for the first quarter of 2012.

The C**onsolidated result** for the period returns to profit due to the strong current operating performance in the Non-Life division, in particular in the Motor sector, with substantial maintenance of the claims reserves accrued at the end of 2011, which confirms – although over a limited time period – the expected adequacy when payments fall due; the corresponding saving, however, was not recognised to the income statement but re-utilised for the revaluation of the residual load, thus not impacting the result.
The return to profit and the recovery of the financial markets benefited the Group's adjusted solvency margin, which reports a significant improvement compared to December 31, 2011. The solvency margins of the individual insurance companies of the Group remain largely positive.

Total premiums written amounted to Euro 2,494.6 million (Euro 2989.0 million in Q1 2011), a decrease of 16.5% on the same period of the previous year.
The drop in premiums in the Life sector was significant, with the overall Italian market inevitably impacted by the difficult economic-financial environment, while the reduction in the Non-Life segment was more contained.

In the **Non-Life** Division, premiums written amounted to Euro 1,635.6 million compared to Euro 1,741.5 million in Q1 2011 (-6.1%).
In the **Motor Classes** the difficult economic conditions and the stringent portfolio selection resulted in a more marked drop in the **Land Vehicle** class (-13.1%) than in the **Motor TPL** class (-4.9%), with premiums written of Euro 952.2 million.
In the latter class the review process continued of the commercial policies undertaken in relation to fleet agreements with the objective to obtain a more technical tariff structure and the protection of the portfolio.
The **claims reported** in the **Motor TPL** class saw a significant drop of 15.4%.
Considering that outlined above, the technical balance of the most important Non-Life classes were positive.

The profitability of the **Land Vehicle** class was in line with the end of 2011: against a fall in premiums written there was a significant drop in claims reported (-19.4%).

In the **Other Non-Life Classes** a comparison with Q1 2011 reveals a decrease in overall premiums of 6.0%, due particularly to the strengthening and reform actions of the General TPL and Health Classes and the continued prudent underwriting policy within the Corporate sector. The overall technical performance remains negative, impacted by the above-mentioned classes, in addition to a deterioration in the Fire class caused by major weather events in the first two months of the year.

Overall, the technical performance of the sector reported a **Combined Ratio** of 99.1%, an improvement on 100.9% in Q1 2011: a reduction in the **Loss Ratio** from 73.9% to 72% is particularly highlighted. The **Operating Combined Ratio**, which excludes the other technical charges, was 92.4% (94.9% in the first quarter of 2011).

The division reports a **pre-tax profit** of Euro 70.6 million (loss of Euro 24.8 million in Q1 2011), due not only to the above-mentioned improvement in the technical performance, but also the strong financial management performance.

Life Division premiums amounted to Euro 859.0 million compared to Euro 1,247.5 million (-31.1%), owing to the previously stated market environment. However, Class I reports an improvement due to the renewed drive from the agreement with Banco Popolare through the subsidiary Popolare Vita. The overall result is however in line with the 2012 budget.
New premiums written in terms of **APE** amounted to Euro 74.7 million (Euro 114.1 million in Q1 2011).

The division reports a **pre-tax profit** of Euro 59.8 million (Euro 9.7 million in Q1 2011), due to the improved contribution from the financial management which achieved positive margins.

Excluding the contribution of the financial instruments recorded at fair value through profit or loss, the **total net income from investments** amounted to Euro 238 million (Euro 168 million in Q1 2011). This amount consists of Euro 207 million of interest income (Euro 192 million in Q1 2011), Euro 24 million of other net income (Euro 20 million in Q1 2011) and net gains to be realised on real estate and securities

of Euro 66 million (Euro 14 million in Q1 2011). Net valuation gains and losses report a loss of approx. Euro 35 million. Interest expense amounting to approx. Euro 17 million (Euro 16 million in the first quarter of 2011) refers almost entirely to financial debt.
The total impairment on AFS financial instruments, concerning equity securities, was Euro 21 million (Euro 24.3 million in Q1 2011).

The **real estate sector** recorded a pre-tax loss of Euro 5.7 million (pre-tax profit of Euro 4.5 million in Q1 2011), impacted by depreciation of Euro 8.2 million.

The **Other Activities sector** reports a pre-tax loss of Euro 10 million (loss of Euro 13 million in Q1 2011), principally due to Atahotels and the healthcare sector; we also report the return to profit of BancaSai, after a significant reduction in loans at the end of the previous year and continued at the beginning of the current year.

Management expenses totalled Euro 425 million (Euro 471 million in Q1 2011).

Overall the **consolidated result** returns to profit - amounting to Euro 73.5 million - improving significantly therefore on the loss in Q1 2011 of Euro 24.9 million.
The Group share amounts to Euro 60.5 million.

Consolidated Shareholders' Equity totals Euro 2,201.1 million (Euro 1,556.7 million at 31/12/2011).
Group Shareholders' equity amounts to Euro 1,497.8 million (Euro 1,037.0 million at 31/12/2011). The improvement is principally due to the increase in the AFS financial asset reserve, for Euro 412.3 million.

Total **investments** reported an increase of 2.1% compared to December 31, 2011 and amount to Euro 34,503.7 million, in addition to available liquidity of Euro 938.8 million.

With reference to the **financial debt** we report Euro 23 million was repaid with the closure of some loans in subsidiary companies. Therefore the debt (with the exclusion of the sub-ordinated loans of a nominal amount of Euro 1,050 million) decreased to Euro 277 million (Euro 300 million at December 31, 2011), thus confirming its sustainability.

The **Consolidated Solvency Margin** improved significantly to 91.6% from 78.2% at the end of December 2011.
The adjusted solvency margin calculated on the basis of the current constituting elements, but with reference to the future required margin at the end of 2012, which does not include the forecast profit for the year, would increase to 96.1%.

The adjusted solvency margin takes account of the provisions introduced by Article 29 paragraph 16 *terdecies* of Legs. Decree No. 216 of 29/12/2011, as converted by Law 14/2012. While awaiting the enacting provisions of the regulation, it is stated that its application in compliance with Isvap Regulation 37 resulted in an adjusted solvency margin benefit of 7.4%.

In the first months of 2012 the first signs of an improvement in the Non-Life Division current management were confirmed, which is testament to the initiatives implemented to recover profitability and strengthen the capital base. In particular, in the Motor TPL class the number of claims reported continues to contract as a result of the actions implemented in relation to the previous claims portfolio, fight against fraud and concerning tariff changes, undertaken in order to permit a better synthesis of the financial mutuality to the effective client risk. In the Non-Life sector, the coming months will see a continuation of the actions taken to recover technical profitability.

In the Other Non-Life Classes, the underwriting policy will continue to be prudent and favour the Retail client and the small-medium size business sector, while business in the municipalities and regions with particularly satisfying technical performances will be developed further.
In the Retail sector, the reform actions will be pursued further, while the portfolio mix will be restructured in the Corporate sector (policy discontinuations and reforms), in addition to a review of the underwriting criteria. In general terms, the Group will disengage from non profitable sectors. With the assistance of the sales force, further marketing drives will be focused in the agencies and on a general reorganisation of the distribution platforms, in order to consolidate agencies in terms of volumes and profitability.

In the Life class, the actions to improve the portfolio quality will continue, increasing the level of periodic premium Class I products (annual or recurring), which are more remunerative and engender client loyalty, creating therefore long-term value.

In the Financial sector, further improvements are expected with a stabilisation of the financial markets.

The actions to contain overhead costs will continue through the review of operating models and the simplification (including structurally) of the Group.

The Executive Responsible for the preparation of the corporate accounting documents, Massimo Dalfelli, declares in accordance with Article 154 *bis*, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in the present press release corresponds to the underlying accounting documents, records and accounting entries.

The Income Statement and the Balance Sheet concerning investments, technical reserves and financial liabilities are attached.

Following the appointment of the new Board by the Shareholders' Meeting of April 24, 2012, the Board of Directors of the Company today considered the independence of the following new directors:

- Salvatore Bragantini, Andrea Broggini, Roberto Cappelli, Valentina Marocco, Enzo Mei, Salvatore Militello and Giorgio Oldoini who, on the presentation of the slates, were declared independent as per Article 148, paragraph 3 of Legs. Decree 58/98 of the Self-Governance Code of listed companies;

- Maurizio Comoli, Ranieri de Marchis and Cosimo Rucellai who, on the presentation of the slates, were declared independent as per Article 148, paragraph 3 of Legs. Decree 58/98.

In the meeting of April 26, 2012, the Board postponed the evaluation to today's Board meeting. The indication of the independent directors in the press release of April 24, 2012 and April 26, 2012 is based exclusively on the declarations provided by the candidates on the presentation of the slates as the relative assessments had not been made by the Board at that date.

Following the evaluations carried out today, in which each of the directors positions were duly considered, the Board of Directors declared:

- Salvatore Bragantini, Roberto Cappelli, Valentina Marocco, Enzo Mei, Salvatore Militello and Giorgio Oldoini as independent as per Article 148 paragraph 3 of Legs. Decree 58/98 of the Self-Governance Code of listed companies;
- Maurizio Comoli, Ranieri de Marchis, Cosimo Rucellai and Andrea Broggini as independent only as per Article 148, paragraph 3 of Legs. Decree 58/98.

In relation to the declarations provided by the candidates on the presentation of the slates, Andrea Broggini considered himself no longer independent according to the Self-Governance Code of listed companies, having exceeded the nine year limit in office out of the last twelve years which, according to the Code, could be considered as an indication as loss of independence. The Director Broggini was therefore qualified as an independent director as per Article 148, paragraph 3 of Legs. Decree 58/98.

Following the resignation of Marco Reboa on May 3, 2012, in accordance with Article 13 of the by-laws, the Board of Directors today co-opted Nicolò Dubini, the first candidate not elected on the majority slate presented by Premafin HP S.p.A. and UniCredit S.p.A. Subsequent to the evaluations carried out today the Board of Directors declared, confirming the declarations issued by Nicolò Dubini, his independence as per Article 148 paragraph 3 of Legs. Decree 58/98 and the Self-Governance Code of listed companies. Nicolò Dubini was also appointed to the Internal Control Committee.

Finally, Valentina Marocco revoked, due to her family connections to a Director of Unicredit, her role on the Committee of independent directors, set up in accordance with the procedure for transactions with related parties of the Fondiaria-SAI Group in relation to the proposed integration with the Unipol Group.

In particular, the Director considers the move appropriate even considering that UniCredit, although having an interest in the operation, is not a counter-party, and also that the family relationship does not impact on her independent decision-making capacity. The Board therefore abstained from an examination of the individual position and thanked the director for her contribution to the Committee.

The Board noted the offer received yesterday afternoon from Sator Capital Limited and Palladio Finanziaria S.p.A. and postponed consideration of such until a subsequent meeting.

The Italian version of the press release contains the Curriculum Vitae of the candidates.

Definitions and Glossary

Combined Ratio = the Loss Ratio and total expenses (general and acquisition charges and other net technical charges) on premiums.

Combined Operating Ratio = the Loss Ratio and general and acquisition charges (Expense Ratio) on premiums.

Annual Premium Equivalent (APE) = Total of new business annual premiums and one-tenth of single premiums.

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BALANCE SHEET - ASSETS

(Euro thousands)

		31/03/2012	31/12/2011
1	**INTANGIBLE ASSETS**	**1.450.117**	**1.462.890**
1.1	Goodwill	1.362.850	1.367.737
1.2	Other intangible assets	87.267	95.153
2	**PROPERTY, PLANT & EQUIPMENT**	**398.582**	**401.744**
2.1	Buildings	314.629	315.500
2.2	Other tangible assets	83.953	86.244
3	**TECHNICAL RESERVES – REINSURANCE AMOUNT**	**703.414**	**701.880**
4	**INVESTMENTS**	**34.503.745**	**33.789.332**
4.1	Investment property	2.695.945	2.759.245
4.2	Investments in subsidiaries, associates and joint ventures	111.881	116.558
4.3	Investments held to maturity	625.256	599.713
4.4	Loans and receivables	3.745.475	3.688.865
4.5	AFS financial assets	19.151.606	17.598.287
4.6	Financial assets at fair value through the profit or loss account	8.173.582	9.026.664
5	**OTHER RECEIVABLES**	**1.812.465**	**2.340.741**
5.1	Receivables from direct insurance operations	1.216.042	1.698.430
5.2	Receivables from reinsurance operations	67.047	78.637
5.3	Other receivables	529.376	563.674
6	**OTHER ASSETS**	**1.692.589**	**1.803.440**
6.1	Non-current assets or of a discontinued group held for sale	49.298	87.151
6.2	Deferred acquisition costs	30.679	30.301
6.3	Deferred tax assets	978.388	1.155.060
6.4	Current tax assets	303.637	316.208
6.5	Other assets	330.587	214.720
7	**CASH AND CASH EQUIVALENTS**	**938.766**	**976.582**
	TOTAL ASSETS	**41.499.678**	**41.476.609**

BALANCE SHEET – SHAREHOLDERS' EQUITY & LIABILITIES

(Euro thousands)

		31/03/2012	31/12/2011
1	**SHAREHOLDERS' EQUITY**	**2.201.143**	**1.556.708**
1.1	**Group**	**1.497.847**	**1.036.952**
1.1.1	Share Capital	494.731	494.731
1.1.2	Other equity instruments	0	0
1.1.3	Capital reserves	310.990	315.460
1.1.4	Retained earnings and other reserves	985.831	1.834.570
1.1.5	(Treasury shares)	-213.026	-213.026
1.1.6	Translation reserve	-64.521	-56.772
1.1.7	Profit or loss on AFS financial assets	-65.950	-478.283
1.1.8	Other gains and losses recorded directly in equity	-10.722	-7.009
1.1.9	Group net profit/(loss)	60.514	-852.719
1.2	**minority interest**	**703.296**	**519.756**
1.2.1	Minority capital and reserves	722.600	903.659
1.2.2	Gains and losses recorded directly in equity	-32.336	-201.984
1.2.3	Minority interest profit/(loss)	13.032	-181.919
2	**PROVISIONS**	**315.089**	**322.310**
3	**TECHNICAL RESERVES**	**34.813.175**	**35.107.505**
4	**FINANCIAL LIABILITIES**	**2.578.068**	**3.143.273**
4.1	Financial liabilities at fair value through profit or loss account	748.061	1.303.886
4.2	Other financial liabilities	1.830.007	1.839.387
5	**PAYABLES**	**930.911**	**792.090**
5.1	Payables from direct insurance operations	89.239	78.999
5.2	Payables from reinsurance operations	130.317	84.912
5.3	Other payables	711.355	628.179
6	**OTHER LIABILITIES**	**661.292**	**554.723**
6.1	Liabilities in a discontinued group held for sale	0	0
6.2	Deferred tax liabilities	186.356	133.452
6.3	Current tax liabilities	38.555	16.522
6.4	Other liabilities	436.381	404.749
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**41.499.678**	**41.476.609**

INCOME STATEMENT			
			(Euro thousands)
		Q1 2012	FY 2011
1.1	Net premiums	2.574.989	3.024.780
1.1.1	*Gross premiums written*	*2.648.302*	*3.109.359*
1.1.2	*Premiums ceded to re-insurers*	*-73.313*	*-84.579*
1.2	Commission income	4.934	7.423
1.3	Income and charges from financial instruments recorded at fair value through profit or loss	253.377	-37.379
1.4	Income from investments in subsidiaries, associates and joint ventures	151	26
1.5	Income from other financial instruments and property investments	332.580	295.469
1.5.1	*Interest income*	*207.539*	*191.896*
1.5.2	*Other income*	*38.481*	*35.276*
1.5.3	*Profits realised*	*81.962*	*68.219*
1.5.4	*Valuation gains*	*4.598*	*78*
1.6	Other revenues	109.473	174.381
1	**TOTAL REVENUES AND INCOME**	**3.275.504**	**3.464.700**
2.1	Net charges relating to claims	-2.395.393	-2.604.195
2.1.2	*Amounts paid and changes in technical reserves*	*-2.441.232*	*-2.634.373*
2.1.3	*Reinsurers' share*	*45.839*	*30.178*
2.2	Commission expenses	-2.807	-4.729
2.3	Charges from investments in subsidiaries, associates and joint ventures	-7.061	-934
2.4	Charges from other financial instruments and property investments	-87.492	-127.678
2.4.1	*Interest expense*	*-16.959*	*-15.984*
2.4.2	*Other charges*	*-14.864*	*-15.644*
2.4.3	*Losses realised*	*-16.068*	*-53.862*
2.4.4	*Valuation losses*	*-39.601*	*-42.188*
2.5	Management expenses	-424.672	-470.906
2.5.1	*Commissions and other acquisition expenses*	*-314.995*	*-356.023*
2.5.2	*Investment management charges*	*-3.493*	*-3.504*
2.5.3	*Other administration expenses*	*-106.184*	*-111.379*
2.6	Other costs	-243.429	-279.940
2	**TOTAL COSTS AND CHARGES**	**-3.160.854**	**-3.488.382**
	PROFIT/(LOSS) BEFORE TAXES	**114.650**	**-23.682**
3	Income tax	**-43.415**	**-1.244**
	NET PROFIT/(LOSS) FOR THE PERIOD	**71.235**	**-24.926**
4	**PROFIT FROM DISCONTINUED OPERATIONS**	**2.311**	**0**
	CONSOLIDATED PROFIT/(LOSS)	**73.546**	**-24.926**
	group share	60.514	-24.863
	minority share	13.032	-63
	EARNINGS/(LOSS) PER SHARE (in Euro)	0,19	-0,86
	DILUTED EARNINGS/(LOSS) PER SHARE (in Euro)	0,19	-0,86

Segment Income Statement

(Euro thousands)

		Non-Life Insurance Sector		Life Insurance Sector		Real Estate Sector		Other Activities Sector		Inter-segment Eliminations		Total	
		31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
1.1	Net premiums	1.720.033	1.780.851	854.956	1.243.929	0	0	0	0	0	0	2.574.989	3.024.780
1.1.1	*Gross premiums written*	*1.789.312*	*1.861.817*	*858.990*	*1.247.542*	*0*	*0*	*0*	*0*	*0*	*0*	2.648.302	3.109.359
1.1.2	*Premiums ceded to re-insurers*	*-69.279*	*-80.966*	*-4.034*	*-3.613*	*0*	*0*	*0*	*0*	*0*	*0*	-73.313	-84.579
1.2	Commission income	0	0	1.203	2.744	0	0	6.291	5.922	-2.560	-1.243	4.934	7.423
1.3	Income & charges from fin. instruments recorded at fair value through profit or	794	-3.588	252.219	-33.847	-317	-126	681	190	0	-8	253.377	-37.379
1.4	Income from investments in subsidiaries, associates and joint ventures	*151*	*0*	*0*	*0*	*0*	*26*	*0*	*0*	*0*	*0*	151	26
1.5	Income from other financial instruments and property investments	122.985	75.791	194.346	204.215	12.604	10.208	15.638	15.444	-12.993	-10.189	332.580	295.469
1.6	Other revenues	110.936	147.097	8.558	16.215	4.858	29.427	157.164	156.000	-172.043	-174.358	109.473	174.381
1	TOTAL REVENUES AND INCOME	1.954.899	2.000.151	1.311.282	1.433.256	17.145	39.535	179.774	177.556	-187.596	-185.798	3.275.504	3.464.700
2.1	Net charges relating to claims	-1.238.898	-1.316.311	-1.156.495	-1.287.884	0	0	0	0	0	0	-2.395.393	-2.604.195
2.1.2	*Amounts paid and changes in technical reserves*	*-1.282.040*	*-1.341.258*	*-1.159.192*	*-1.293.115*	*0*	*0*	*0*	*0*	*0*	*0*	-2.441.232	-2.634.373
2.1.3	*Reinsurers' share*	*43.142*	*24.947*	*2.697*	*5.231*	*0*	*0*	*0*	*0*	*0*	*0*	45.839	30.178
2.2	Commission expenses	0	0	-1.221	-2.530	0	0	-1.586	-2.199	0	0	-2.807	-4.729
2.3	Charges from investments in subsidiaries, associates and joint	-6.909	-7	0	0	-71	0	-81	-927	0	0	-7.061	-934
2.4	Charges from other financial instruments and property investments	-47.915	-67.995	-19.636	-42.501	-15.746	-15.177	-8.966	-6.629	4.771	4.624	-87.492	-127.678
2.5	Management expenses	-353.872	-381.007	-50.908	-66.399	-51	-49	-77.648	-81.689	57.807	58.238	-424.672	-470.906
2.6	Other costs	-236.744	-259.676	-23.202	-24.274	-6.979	-19.826	-101.522	-99.100	125.018	122.936	-243.429	-279.940
2	TOTAL COSTS AND CHARGES	-1.884.338	-2.024.996	-1.251.462	-1.423.588	-22.847	-35.052	-189.803	-190.544	187.596	185.798	-3.160.854	-3.488.382
	PROFIT/(LOSS) BEFORE TAXES	70.561	-24.845	59.820	9.668	-5.702	4.483	-10.029	-12.988	0	0	114.650	-23.682