

## **CORPORATE/INDUSTRIAL RESTRUCTURING PROJECT OF THE MILANO ASSICURAZIONI COMMERCIAL NETWORKS**

### **JOINT PRESS RELEASE**

**In accordance with article 154-bis of Legs. Decree No. 58/98**

**APPROVAL BY THE BOARD OF DIRECTORS OF FONDIARIA-SAI S.p.A. AND MILANO ASSICURAZIONI S.p.A. OF THE CONFERMENT PROJECT BY MILANO ASSICURAZIONI TO LIGURIA ASSICURAZIONI AND LIGURIA VITA S.p.A OF THE COMMERCIAL NETWORKS BUSINESS UNIT WHICH DISTRIBUTES SASA AND SASA VITA BRAND PRODUCTS.**

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Milan, April 29, 2010

Fondiaria-SAI S.p.A. ("**FonSAI**"), Milano Assicurazioni S.p.A. ("**MILANO**") and its subsidiaries Liguria Assicurazioni S.p.A. ("**LIGURIA**") and Liguria Vita S.p.A. ("**LIGURIA VITA**") announced today the approval by the respective Board of Directors of a corporate/industrial reorganisation project, to be implemented through a share capital increase of Liguria and Liguria Vita in accordance with article 2441, paragraph 1, of the Civil Code, reserved to Milano, through conferment of the Milano business unit dedicated to the agency networks which distributes brand products, respectively SASA and SASA VITA (hereafter: the "**SASA BUSINESS UNIT**").

The re-allocation of the predominantly multi-mandate agency networks premium portfolio to a single entity, legally independent, will allow the FonSAI Group to manage more effectively and efficiently its organisational, communicative and commercial strengths in the management of the various types of distribution networks and opens up a series of potential advantages (greater competitiveness, simplification of operational management, optimisation of group costs) in a market context still characterised by an uncertain macroeconomic scenario and high levels of competition.

The **SASA BUSINESS UNIT** combines the activities of SASA ASSICURAZIONI E RIASSICURAZIONI S.p.A. and SASA VITA S.p.A., long-established Trieste-based insurance companies founded in 1923 and merged by incorporation into Milano in 2008. The Sasa business unit employs 204 persons principally in the Trieste headquarters and operates prevalently in the non-life sector with a presence throughout Italy thanks to a network of 425 agents, mainly "multi-mandate". The business unit also relies on a strong relationship with over 100 brokers. In 2009 the business unit recorded total premiums of approx. Euro 501 million (Euro 424 million non-life, Euro 77 million life).

**LIGURIA AND LIGURIA VITA**, founded in Genoa in 1883, have headquarters in Milan and operate both in the non-life and life divisions (Liguria Vita is held 100% by Liguria). The Liguria Group operates prevalently in the non-life Motor TPL sector and throughout Italy thanks to a network of 319 agencies concentrated in the centre-north of the country and in particular in the smaller municipalities. The Liguria Group reported total life/non-life premiums written in 2009 of Euro 295 million (Euro 273 million non-life, Euro 22 million life) and employs 180 people.

The operation will therefore create the 10<sup>th</sup> largest insurance group in Italy, operating both in the non-life and life sectors, with total premiums of approx. Euro 0.8 billion, principally in the non-life sector and a net equity of approx. Euro 0.2 billion, 384 employees and a distribution network of approx. 750 agencies located throughout Italy, but principally in Northern Italy (45%).

The creation of a single commercial and organisational entity, as well as creating a significant force within the domestic market, will also allow the FonSAI Group to take advantage of any combined entity valuation opportunities.

The two share capital increases which will be presented to the relative extraordinary shareholders' meetings of LIGURIA and LIGURIA VITA will be carried out through the issue of:

- with regard to the conferment to LIGURIA of the Sasa Business Unit, of 70,941,075 ordinary LIGURIA shares of a nominal value of Euro 1 each, for a total nominal value of Euro 70,941,075, as well as Euro 61,800,087 share premium reserve and therefore for a total value of Euro 132,741,162;
- with regard to the conferment to LIGURIA VITA of the Sasa Vita Business Unit, of 2,608,704 ordinary LIGURIA VITA shares of a nominal value of Euro 5 each, for a total nominal value of Euro 13,043,520, as well as Euro 1,141,935 share premium reserve and therefore for a total value of Euro 14,185,455.

The execution of the entire operation communicated in the present press release, subject to prior authorisation by Isvap, will take place in the second half of the current year.

KPMG Corporate Finance, a division of KPMG Advisory S.p.A., was appointed financial advisor by the Board of Directors.

The audit firm PricewaterhouseCoopers was appointed as the expert pursuant to article 2343 ter of the civil code for the preparation of the sworn report on the estimate of the conferments. The issue price of the new shares for the conferments will, in accordance with article 2441, paragraph 6 of the civil code, be subject to a fairness opinion by the audit firm appointed by Liguria Assicurazioni, Reconta Ernst & Young.

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