PRESS RELEASE

MILANO ASSICURAZIONI: 2012 ANNUAL ACCOUNTS APPROVED

RESULT IMPACTED BY EXTRAORDINARY ITEMS
STRONG CURRENT OPERATING PERFORMANCE

<u>CONSOLIDATED FINANCIAL STATEMENTS</u> (IFRS)

- **Group Consolidated Result: loss of Euro 216 million (loss of Euro 487.5 million in 2011), after:**
    - **Revaluation of prior year reserves of approx. Euro 460 million**
    - **Total impairments of approx. Euro 147 million (Euro 91 million on property and Euro 56 million on financial instruments)**
    - **Write-down on Im.Co. and Sinergia receivables of Euro 62 million**
- **Direct Premiums written of Euro 3,106.6 million (-7.8%)**
- **Non-Life claims reported -15.9%**
- **Direct Business Combined Ratio of 107.1% (112.8% in 2011)**
- **Consolidated Solvency Margin at 115.7%**

<u>Milano Assicurazioni S.p.A. SEPARATE FINANCIAL STATEMENTS</u> (Italian GAAP)

- **Result for the year: loss of Euro 82.9 million (loss of Euro 783.3 million in 2011)**

Bologna, March 20, 2013. The Board of Directors of Milano Assicurazioni S.p.A. in a meeting today chaired by Fabio Cerchiai approved the 2012 Consolidated and Parent Company financial statements.

Consolidated Financial Statements

In 2012, **direct and indirect premiums** totaled Euro 3,111.7 million (-7.8% on 2011). Premiums written in the Life sector totaled Euro 378.6 million (-4.6%) - in line with Italian market estimates amid a challenging economic environment, while Non-Life business totaled Euro 2,733.1 million (-8.3%).

In addition to an extensive review of the portfolio to recover margins in the Non-Life classes and particularly in the Motor sector, the result was impacted by both by the ongoing economic crisis which also led to a drop of approximately 20% in new vehicle registrations and the extraordinary issues affecting operations in 2012, shifting focus away from insurance activities.

The **Non-Life sector** reports a pre-tax loss of Euro 226.3 million (a loss of Euro 586.8 million in 2011), due to the strengthening of the prior year claims reserves, in particular in the Motor TPL and General TPL classes for a total of Euro 460 million.
Write-downs on investments of Euro 86.3 million also weighed on the sector result.
The current operating result was strong, with a continued reduction in overall claims (-15.9%).

The direct business **Combined Ratio** was 107.1%[1] (112.8% in 2011), of which 82.3% as loss ratio impacted by prior year claims reservation of 16.6%.

The **Life sector** reports a pre-tax profit of Euro 13.3 million (Euro 18.9 million in 2011), despite impairments on financial assets of Euro 28.4 million. The sector continues to be affected by the high degrees of market volatility and a challenging economic environment which has curtailed premiums. New business in Annual Premium Equivalent (APE) terms totaled Euro 40.3 million - slight growth on the previous year.

The **Real Estate** sector reports a loss of Euro 67.7 million (loss of Euro 57 million in 2011), due principally to impairments by the real estate companies based on updated independent expert valuations.

The total **management expenses** amounted to Euro 588.5 million (Euro 632.7 million in 2011).

Investment income reached Euro 105.5 million, against net charges of Euro 52.7 million in 2011.

The Group result was impacted finally by the write-down on receivables of approx. Euro 62 million related to the bankruptcies of Im.Co. and Sinergia.

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[1] The Combined Ratio net of reinsurance was 105.9%

Based on that illustrated, the 2012 consolidated financial statements report a **Group net loss** of Euro 216 million compared to a loss of Euro 487.5 million in the previous year.

Group net equity, including the result for the year, increased from Euro 928.2 million at the end of 2011 to Euro 1,037.9 million at year-end, attributable to the AFS reserve which increased from Euro -222.2 million to Euro 106.7 million.
The **Consolidated Solvency Margin** amounts to 115.7%.

Parent Company Financial Statements

2012 reports a loss of Euro 82.9 million, against the loss of Euro 783.3 million in 2011. The improvement follows the actions taken to recover profitability and the upturn in the technical and financial market. Below we highlight the significant issues in the year.

The portfolio restructuring and the economic environment continue to affect **premiums written**, which amounted to Euro 2,855.4 million (-7.5%). Direct Non-Life premiums contracted 7.7% to Euro 2,454.8 million, while Life premiums totaled Euro 366.9 million (-5.4%). The increased effect from the policies undertaken and the sluggish economy were particularly evident in the Motor sector, with a reduction in premiums of 9.2% to Euro 1,680.3 million.

The **technical account** of the **Non-Life** classes reported a loss of Euro 61.7 million, a significant improvement on the loss of Euro 373.3 million in 2011 and a Direct Business Combined Ratio of 103.4%[2] (112.8% in 2011), of which 79.2% Loss Ratio impacted by increases on the prior year claims reserve of 14.2%.

The **Life** sector technical result reports a return to profit (Euro 52.3 million), after the loss in 2011 of Euro 57.6 million. The significant improvement in the result is due to the increase in net investment income and in particular the rise in the returns from Italian Government securities.

[2] Net of reinsurance, the combined ratio was 102.5%

Investment income reached Euro 152.5 million against net charges of Euro 394.2 million in 2011.

The implementation of the cost containment policy has resulted in a decrease in **administration expenses** of 4.2% which amounted to Euro 85.3 million (Euro 89.1 million in 2011).

The **Parent Company solvency margin** was 144%.

On the request of CONSOB – in accordance with Article 114, paragraph 5 of Legislative Decree No. 58/98 – an explanatory note concerning the revaluation of the prior year claims reserves of the Group insurance companies in 2012 is attached to the present press release (Attachment 1). This information is reported also in the 2012 Consolidated Financial Statements.

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Outlook

The new management are tasked in the coming months with furthering the merger with the Unipol Group, in line with the conditions communicated to the market. The restructuring and simplification processes of the Group will continue, fully exploiting the synergies identified and allowing the creation of value from an alignment of productivity and the optimisation of financial management.

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The Board of Directors has called the Shareholders' Meeting for April 26 in first call at 10.30 AM at San Lazzaro di Savena, in the province of Bologna, at the Centro Congressi Villa Cicogna (April 29, 2013 in second call at the same time and place).
The consolidated and separate financial statements approved today by the Board of Directors will be available to the public at the registered office and at Borsa Italiana S.p.A. by April 4, 2013. The report will also be available at the internet site of the Company www.milass.it.

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Presentation of results to the financial community

The 2012 results of Milano Assicurazioni will be presented to the financial community on Thursday March 21 at 6.30 PM through webcasting (from the site www.milass.it) and in conference call. The telephone numbers to be used for the event are: 02.805.88.11 (from Italy), +1 718 7058794 (from USA), +44 1212818003 (from other countries). Financial analysts and institutional investors may send their questions at the end of presentation according to the indications provided by the operator. The other technical details to access the event are available on the home page of the website www.milass.it.

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 Consolidated Income Statement, Comprehensive Income Statement and Balance Sheet are attached.

Definitions and Glossary

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

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

Available for Sale (AfS) = Financial instruments available for sale

AFS Reserve = Reserve on assets classified in the "Available for Sale" category.

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(Att. 1) - Information requested by Consob

Strengthening of the prior year claims reserves: Information requested by Consob

With Consob communication of March 18, 2013, Protocol No. 13021371, Consob requested Milano Assicurazioni, pursuant to Article 114, paragraph 5, of Legislative Decree 58/98, to report in the explanatory notes to the 2012 consolidated financial statements disclosure and information concerning:

- the quantitative and qualitative reconstruction of the movements of the revaluation of the prior year claims reserves during 2012 of the group insurance companies, indicating the underlying reasons for the revaluation and providing details of the amounts by insurance company and class;
- the quantification, representation and accounting of the strengthening of the prior year claims reserves in the 2012 consolidated financial statements, specifying the International Accounting Standards adopted;
- the underlying reasons for the reformulation of the reserve policies adopted to date by the insurance companies of the Milano Assicurazioni Group;
- actions taken to render the reserve policies uniform, indicating modifications to the operating plan and methodology;
- the reasons for which it was not considered appropriate to consider the revaluation of the prior year claims reserve as a correction of an error of the previous year, in compliance with IAS 8.

With reference to the request of the Supervision Authority, the following information is provided.

Strengthening of the prior year claims reserves of the Milano Assicurazioni Group and reformulation of the reserve policies

As already illustrated in the press release published on December 21, 2012 by the parent company Unipol Gruppo Finanziario S.p.A., in the joint 2013–2015 Industrial Plan (the "Plan") assumptions were made, with reference to the year 2012, to strengthen the non-life prior year claims reserves[3] relating to the Fondiaria-Sai Group by approx. Euro 650 million, of which Euro 350 million relating to Milano Assicurazioni and its subsidiaries.

The reasons underlying these assumptions to strengthen the reserves are substantially due to the circumstances and valuations reported below:

A) First Nine Months 2012 results: with the approval, on November 13, 2012, by the Board of Directors of Milano Assicurazioni of the Interim Report at September 30, 2012, on the proposal of the previous technical structures of the company, the need to strengthen prior year claims reserves was highlighted for a total of Euro 215 million, for the entire Milano Assicurazioni Group, principally due to:

   - Motor TPL Class: the analysis of the management data relating to the savings on the prior year claims settled at September 30, 2012, according to the valuations made by the previous technical structures, indicated for Milano Assicurazioni a position 10 percentage points lower than that recorded by Unipol Assicurazioni at the same date (equal to 25.8% of the "fallen" reserve), although improving on the previous year. In the absence of precise figures calculated based on the actuarial models, prepared solely for the purposes of the annual financial statements, this management indicator - concerning a reserve estimate still not sufficiently prudent - was taken by these structures as evidence of the need, in the application of prudent criteria, for further reserves of the claims still open with these insurance companies. At September 30, 2012, therefore, at Milano Assicurazioni consolidated level it was considered necessary to strengthen these Motor TPL claims reserves for Euro 181 million;

   - General TPL Class: based on specific instructions received from ISVAP (now IVASS), Milano Assicurazioni was required to increase reserves for a total of Euro 61 million and to develop reserve valuation models at last cost utilising actuarial methodologies, in place of the simplified methodologies utilised up to the 2011 Annual Accounts. Therefore, at September 30, 2012, again on the proposal of the technical structures, the company Milano Assicurazioni increased the General TPL claims reserve for Euro 37 million (Euro 39 million including the other companies of the Milano Assicurazioni Group);

   - Others Classes: at September 30, 2012 they report a positive balance of Euro 4

[3] Defined as the sum of the claims reserves at the end of the previous year to the reference year (the "Year"), less the amounts paid in the Year, less the prior year claims reserves at the end of the Year, plus/less the balance of the sums recovered/to be recovered from policyholders and third parties.

million;

B) Annual inventory process of the claims reserves: during the annual review phase of the inventory of the reserves relating to claims reported but not yet settled, the Milano Assicurazioni claims adjusters network highlighted the necessity for significant revaluations, in particular of large amounts pertaining to the Motor TPL and General TPL classes. It is also noted that in addition to the activities undertaken by the claims adjusters, in accordance with instructions from the Insurance Supervisory Authority, the estimate of the adjusters must be verified with actuarial methodologies in order to estimate the last cost of the claims still to be reserved[4], including all future costs. This activity may result in a further supplement to the reserves compared to that originally estimated by the claims adjusters based on the information at their disposal.

The Company, in the preparation of the Plan, and not having the final figures for the year 2012 and in consideration, therefore, of the impossibility to apply the actuarial methodologies for the valuation of the reserves at last cost (actuarial models, in fact, require historical annual data), considered it appropriate to record a further prudent one-off adjustment to that made by the adjusters, with a total estimate to strengthen the prior year claims reserves of Euro 350 million.

Therefore, within the uniformity process of the underlying assumptions in the economic and financial projections of the Plan, the estimates to strengthen the prior year reserves made reference to:

(i) management data and adjustments of the claims reserves made by the claims adjusters in the year-end inventory process and

(ii) a prudent estimate of the increase of these values, made on a one-off basis, to take account of any further strengthening due to the valuations of the actuarial models.

In relation to the process to render the reservation policies of the companies of the Milano Assicurazioni Group uniform with the Unipol Group, in the initial months of the new ownership a verification of strict compliance with the above-mentioned regulation was undertaken.

[4] Parallel to the analytical valuation of claims by the adjusters a statistical/actuarial valuation is also made which may further supplement the reserves to align with the "Last Cost", as defined by Article 27 of ISVAP Regulation No. 16 of March 4, 2008 which, at paragraph 1, states that *"the companies determine the claims reserve commencing from a separate analytical valuation of the cost of each not entirely paid claim reported with the inventory method"* and, at the following paragraph 4, establishes that *"for the classes characterised by slow settlement processes or in which the analytical valuations as per paragraph 1 are not able to take into account all future foreseeable charges, the companies, in order to determine the last cost of the claims, in addition to the valuations as per paragraph 1, also apply statistical/actuarial methodologies or forecasting valuation systems of future costs"*.

Therefore at the conclusion of the inventory process carried out by the claims network, in order to establish the last cost of claims written to the reserve, after including the reserve estimates of the settlement expenses in the valuations, the technical verification was verified with various statistical-actuarial methods, providing the results which follow.

In particular, in relation to the General TPL Class and differing from that carried out last year, in place of the simplified methodologies, statistical-actuarial models such as the Chain-Ladder Paid model and the GLM ODP model were adopted, based on an analysis of the historic series classified by similar family of risk.

In the preparation of the 2012 consolidated financial statements, through the use of the methods described above, a valuation of the last cost of prior year claims reserves resulted in an increase in the estimate of the claims adjusters, with particular reference to the Motor TPL class amounting to approx. Euro 120 million. This resulted in the strengthening of the prior year claims reserves of Euro 469 million, of which Euro 416 million relating to the Motor TPL Class and Euro 69 million relating to the General TPL Class, while the Other classes recorded a positive balance of Euro 16 million.

Developments in the strengthening of the prior year claims reserves

The table below reports, broken down by the principal classes (Motor TPL, General TPL and Other classes) and for the principal Group companies, the movements over the year 2012 in the strengthening of the prior year claims reserves, with cumulative totals at the valuation dates of June 30, September 30 and December 31, 2012, as well as the assumptions utilised within the Plan with reference to the year 2012.

	Euro Millions	30/6/12	30/9/2012	31/12/2012	Plan 2012
Milano Assicurazioni	Motor TPL	70.6	164.1	321.2	300.0
	Gen. TPL	36.0	37.1	61.8	65.0
	Other	11.3	-6.5	-23.0	-46.0
	Total	118.0	194.7	360.1	319.0
Other companies of the Milano Group	Motor TPL	8.2	16.7	95.0	37.7
	Gen. TPL	-	2.0	7.4	0.8
	Other	0.7	2.5	6.6	0.8
	Total	8.9	21.2	109.0	39.3
Total Milano Group	**Motor TPL**	**78.8**	**180.8**	**416.1**	**337.7**
	Gen. TPL	**36.0**	**39.1**	**69.2**	**65.8**
	Other	**12.0**	**-4.0**	**-16.4**	**-45.2**
	Total	**126.8**	**215.9**	**468.9**	**358.3**

As previously illustrated, we highlight that the strengthening of the reserves took place particularly in the last part of 2012, based on the results of the inventory process, which commenced in September 2012, and the results deriving from the actuarial models applied only on the annual figures.

The forecasts contained in the industrial plan concerning the resultant company of the proposed merger (UnipolSai) were fully confirmed, which for the prior year claims reserve considered, for reasons of prudency, an additional Euro 150 million over the duration of the plan 2013-2015.

Representation and accounting recognition of the strengthening of the claims reserves, International Accounting Standards adopted and reasons why the revaluation of the prior year claims reserves should not be treated as a correction of errors of the previous year in accordance with International Accounting Standard No. 8.

The adjustment of the claims reserves of Milano Assicurazioni S.p.A. and its subsidiaries is considered an adjustment of estimates and recorded in the 2012 consolidated financial statements of Milano Assicurazioni S.p.A. as a cost relating to 2012, recorded in the account 2.1.1 - Amounts paid and changes in the technical reserves (Consolidated income statement) recording an increase in Account 3 - Technical Reserves (Balance Sheet – Shareholders' equity and liabilities). The change in the Motor TPL claims reserves between 2011 and 2012 is due to a change in the accounting estimates to be treated in accordance with IAS 8, paragraph 32 and thereafter and in no circumstances should this be considered as a correction of an "error".

This is due to the fact that (and as described above) the revaluation of the prior year claims reserves is the product of elaborations and analyses concerning the forecast cost of claims not yet settled, established in light of all the information available at the time of the preparation of the financial statements, information which differs from that utilised and available, or which could not have been forecast at the time of the preparation of the previous financial statements and therefore in line with that established by IAS 8.

Finally, in relation to the International Accounting Standards adopted, it is repeated that the IAS/IFRS does not govern, in a specific accounting standard, the treatment of insurance reserves and therefore the accounting treatment of any strengthening of the reserves.

IFRS 4 is the only International Accounting Standard which currently expressly deals with insurance contracts – in fact it has as its sole purpose "to specify disclosure in financial statements relating to insurance contracts for each entity which issues these contracts (defined, in the present IFRS, as insurer) until the Board has completed the second phase of its project in relation to insurance contracts" (which has not yet occurred).

IFRS 4, however, provides some indications on the system which governs, within the IAS/IFRS, the valuation of insurance contracts and, consequently, of the reserves. Paragraph 13 of IFRS 4 in fact provides that "the insurer is exempt from the application of such criteria with reference to paragraphs 10 and 12 of IAS 8 to its own accounting principles relating to:

a) own insurance contracts issued (including acquisition costs and related intangible assets, as per paragraphs 31 and 32);

b) reinsurance contracts held".

This signifies that, in the absence of regulations which govern the specific circumstances – specifically “insurance contracts” – insurance companies, instead of making reference to the provisions of paragraph 10 – 12 of IAS 8 (therefore paragraphs of IAS 8 which govern the treatment of the preparer of the financial statements when there is a deficiency in the application of IAS/IFRS standards), may continue to adopt the practices utilised, or rather, in the Italian case, to continue to adopt in the calculation of the reserves for the preparation of the individual statutory financial statements with regard to the technical reserves of the Non-Life classes Article 37, paragraph 1 of the Private Insurance Code and ISVAP Regulation No 16/2008.

MILANO ASSICURAZIONI S.p.A.

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2012

INCOME STATEMENT

In Euro thousands

		2012	2011
1.1	Net premiums	3,074,067	3,279,514
1.1.1	*Gross premiums written*	*3,205,532*	*3,421,124*
1.1.2	*Premiums ceded to re-insurers*	*-131,465*	*-141,610*
1.2	Commission income	783	851
1.3	Income and charges from financial instruments at fair value through profit or loss	11,200	-15,127
1.4	Income from investments in subsidiaries, associates and joint ventures	594	388
1.5	Income from other financial instruments and property investments	384,244	372,321
1.5.1	*Interest income*	*237,440*	*238,143*
1.5.2	*Other income*	*46,626*	*51,803*
1.5.3	*Profits realised*	*96,656*	*82,375*
1.5.4	*Valuation gains*	*3,522*	
1.6	Other revenues	168,589	180,098
1	**TOTAL REVENUES AND INCOME**	**3,639,477**	**3,818,045**
2.1	Net charges relating to claims	-2,669,764	-3,062,765
2.1.1	*Amounts paid and changes in technical reserves*	*-2,773,898*	*-3,123,757*
2.1.2	*Reinsurers' share*	*104,134*	*60,992*
2.2	Commission expenses	-121	-233
2.3	Charges from investments in subsidiaries, associates and joint ventures	-23,446	-17,549
2.4	Charges from other financial instruments and property investments	-267,109	-392,761
2.4.1	*Interest expense*	*-10,905*	*-12,518*
2.4.2	*Other charges*	*-20,455*	*-21,290*
2.4.3	*Losses realised*	*-61,082*	*-52,355*
2.4.4	*Valuation losses*	*-174,667*	*-306,598*
2.5	Management expenses	-588,484	-632,686
2.5.1	*Commissions and other acquisition expenses*	*-473,384*	*-508,066*
2.5.2	*Investment management charges*	*-5,526*	*-5,521*
2.5.3	*Other administration expenses*	*-109,574*	*-119,099*
2.6	Other costs	-371,187	-336,679
2	**TOTAL COSTS AND CHARGES**	**-3,920,111**	**-4,442,673**
	LOSS BEFORE TAXES	**-280,634**	**-624,628**
3	Income tax	63,310	106,170
	NET LOSS	**-217,324**	**-518,458**
4	**PROFIT FROM DISCONTINUED OPERATIONS**	**1,156**	**30,851**
	CONSOLIDATED LOSS	**-216,168**	**-487,607**
	group share	**-216,047**	**-487,479**
	minority share	**-121**	**-128**

MILANO ASSICURAZIONI S.p.A.

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2012

In Euro thousands

COMPREHENSIVE INCOME STATEMENT

	2012	2011
CONSOLIDATED LOSS	**-216,168**	**-487,607**
Change in reserve for net exchange differences		
Profit or loss on AFS financial assets	328,851	-224,172
Profit or loss on cash flow hedges	-4,832	-2,522
Profit or loss on a net foreign investment hedge		
Change in net equity of holdings		
Change in revaluation reserve of intangible assets		
Change in revaluation reserve of tangible fixed assets		
Income/(charges) on non-current assets or of a discontinued group held for sale		
Actuarial profits and losses and adjustments to employee defined plans	-5,054	402
Others items		
TOTAL OTHER COMPREHENSIVE INCOME STATEMENT ITEMS	**318,965**	**-226,292**
TOTAL COMPREHENSIVE CONSOLIDATED LOSS	**102,797**	**-713,899**
group share	**102,910**	**-713,766**
minority share	**-113**	**-133**

MILANO ASSICURAZIONI S.p.A.

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2012

In Euro thousands

Segment Income Statement

		Non-Life Sector		Life Sector		Real Estate Sector		Other		Inter-segment Eliminations		Total	
		2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
1.1	Net premiums	2,706,266	2,895,471	367,801	384,043	0	0	0	0	0	0	3,074,067	3,279,514
1.1.1	*Gross premiums written*	2,826,968	3,024,173	378,564	396,951							3,205,532	3,421,124
1.1.2	*Premiums ceded to re-insurers*	-120,702	-128,702	-10,763	-12,908							-131,465	-141,610
1.2	Commission income		0	783	851							783	851
1.3	Income and charges from financial instruments at fair value through profit/loss	-577	-16,282	13,521	542	-1,744	613					11,200	-15,127
1.4	Income from investments in subsidiaries, associates and joint ventures	579	362			15	26					594	388
1.5	Income from other financial instruments and property investments	196,849	154,380	172,649	205,860	14,746	12,081					384,244	372,321
1.6	Other revenues	154,735	158,702	7,375	6,758	2,188	10,340	8,470	11,071	-4,179	-6,773	168,589	180,098
1	**TOTAL REVENUES AND INCOME**	**3,057,852**	**3,192,633**	**562,129**	**598,054**	**15,205**	**23,060**	**8,470**	**11,071**	**-4,179**	**-6,773**	**3,639,477**	**3,818,045**
2.1	Net charges relating to claims	-2,231,807	-2,616,409	-437,957	-446,356	0	0	0	0	0	0	-2,669,764	-3,062,765
2.1.1	*Amounts paid and changes in technical reserves*	-2,328,832	-2,668,257	-445,066	-455,500							-2,773,898	-3,123,757
2.1.2	*Reinsurers' share*	97,025	51,848	7,109	9,144							104,134	60,992
2.2	Commission expenses			-121	-233							-121	-233
2.3	Charges from investments in subsidiaries, associates and joint ventures	-22,658	-13,688	-88	-331	-700	-3,530					-23,446	-17,549
2.4	Charges from other financial instruments and property investments	-144,708	-245,444	-58,104	-90,645	-64,297	-56,672					-267,109	-392,761
2.5	Management expenses	-559,357	-606,949	-29,127	-25,737							-588,484	-632,686
2.6	Other costs	-325,662	-296,986	-23,390	-15,851	-17,909	-19,883	-8,405	-10,732	4,179	6,773	-371,187	-336,679
2	**TOTAL COSTS AND CHARGES**	**-3,284,192**	**-3,779,476**	**-548,787**	**-579,153**	**-82,906**	**-80,085**	**-8,405**	**-10,732**	**4,179**	**6,773**	**-3,920,111**	**-4,442,673**
	LOSS BEFORE TAXES	**-226,340**	**-586,843**	**13,342**	**18,901**	**-67,701**	**-57,025**	**65**	**339**	**0**	**0**	**-280,634**	**-624,628**
	INCOME TAX											63,310	106,170
	PROFIT FROM DISCONTINUED OPERATIONS											1,156	30,851
	CONSOLIDATED LOSS											**-216,168**	**-487,607**
	group share											-216,047	-487,479
	minority share											-121	-128

MILANO ASSICURAZIONI S.p.A.

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2012

In Euro thousands

BALANCE SHEET - ASSETS

		2012	2011
1	**INTANGIBLE ASSETS**	**234,775**	**242,489**
1.1	Goodwill	230,851	231,052
1.2	Other intangible assets	3,924	11,437
2	**PROPERTY, PLANT & EQUIPMENT**	**39,009**	**52,350**
2.1	Buildings	34,737	47,006
2.2	Other tangible assets	4,272	5,344
3	**TECHNICAL RESERVES – REINSURANCE AMOUNT**	**340,154**	**328,931**
4	**INVESTMENTS**	**8,475,412**	**8,355,884**
4.1	Investment property	613,188	910,693
4.2	Investments in subsidiaries, associates and joint ventures	111,964	100,416
4.3	Investments held to maturity	185,360	128,927
4.4	Loans and receivables	891,522	905,538
4.5	AFS financial assets	6,508,286	6,084,206
4.6	Financial assets at fair value through the profit or loss account	165,092	226,104
5	**OTHER RECEIVABLES**	**975,035**	**959,272**
5.1	Receivables from direct insurance operations	502,380	614,040
5.2	Receivables from reinsurance operations	32,505	47,067
5.3	Other receivables	440,150	298,165
6	**OTHER ASSETS**	**421,925**	**558,122**
6.1	Non-current assets or of a discontinued group held for sale		44,503
6.2	Deferred acquisition costs	13,890	10,741
6.3	Deferred tax assets	283,663	393,848
6.4	Current tax assets	42,100	40,595
6.5	Other assets	82,272	68,435
7	**CASH AND CASH EQUIVALENTS**	**320,299**	**470,804**
	TOTAL ASSETS	**10,806,609**	**10,967,852**

MILANO ASSICURAZIONI S.p.A.

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2012

In Euro thousands

BALANCE SHEET – SHAREHOLDERS' EQUITY & LIABILITIES

		2012	2011
1	**SHAREHOLDERS' EQUITY**	**1,039,231**	**929,537**
1.1	**Group**	**1,037,896**	**928,212**
1.1.1	Share Capital	373,682	373,682
1.1.2	Other equity instruments		
1.1.3	Capital reserves	406,634	951,244
1.1.4	Retained earnings and other reserves	413,991	350,086
1.1.5	(Treasury shares)	-31,353	-31,353
1.1.6	Translation reserve		
1.1.7	Profit or loss on AFS financial assets	106,665	-222,178
1.1.8	Other gains and losses recorded directly in equity	-15,676	-5,790
1.1.9	Group net loss	-216,047	-487,479
1.2	**minority interest**	**1,335**	**1,325**
1.2.1	Minority capital and reserves	1,456	1,461
1.2.2	Gains and losses recorded directly in equity		-8
1.2.3	Minority interest loss	-121	-128
2	**PROVISIONS**	**92,101**	**119,870**
3	**TECHNICAL RESERVES**	**8,874,513**	**9,072,199**
4	**FINANCIAL LIABILITIES**	**327,405**	**370,197**
4.1	Financial liabilities at fair value through profit or loss account	72,510	70,858
4.2	Other financial liabilities	254,895	299,339
5	**PAYABLES**	**312,522**	**290,509**
5.1	Payables from direct insurance operations	19,495	24,723
5.2	Payables from reinsurance operations	33,272	26,604
5.3	Other payables	259,755	239,182
6	**OTHER LIABILITIES**	**160,837**	**185,540**
6.1	Liabilities in a discontinued group held for sale		0
6.2	Deferred tax liabilities	36,078	46,542
6.3	Current tax liabilities	10,096	
6.4	Other liabilities	114,663	138,998
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**10,806,609**	**10,967,852**

MILANO ASSICURAZIONI S.p.A.

PARENT COMPANY CONDENSED BALANCE SHEET

(€ thousand) ASSETS	31/12/2012	31/12/2011
Intangible assets	29,207	36,545
Investments	7,929,263	8,274,845
Receivables	970,334	981,258
Other assets	765,029	963,701
TOTAL ASSETS	9,693,833	10,256,349

(€ thousand) LIABILITIES	31/12/2012	31/12/2011
Net Equity	894,789	977,712
Subordinated liabilities	150,000	150,000
Technical reserves	8,083,011	8,469,352
Provisions for risks and charges	128,984	177,553
Deposits received from reinsurers	71,031	83,595
Payables and other liabilities	366,018	398,137
TOTAL LIABILITIES	9,693,833	10,256,349

MILANO ASSICURAZIONI

PARENT COMPANY CONDENSED INCOME STATEMENT

(€ thousand)	2012	2011
Technical account result - Non-Life	-61,741	-373,276
Technical account result - Life	52,329	-57,565
Net investment income - Non-Life	-33,992	-358,580
Investment gains transferred from the technical account - Life	18,389	0
Investment gains transferred to the technical account - Non-Life	0	0
Other income and charges	-62,881	-75,462
RESULT FROM ORDINARY OPERATIONS	**-87,896**	**-864,883**
Extraordinary income	35,708	12,134
Extraordinary expenses	-18,690	-86,941
RESULT FROM EXTRAORDINARY OPERATIONS	**17,018**	**-74,807**
PRE-TAX RESULT	**-70,878**	**-939,690**
Income taxes	-12,044	156,381
NET RESULT	**-82,922**	**-783,309**