

## PRESS RELEASE

### 2012 CONSOLIDATED FINANCIAL STATEMENTS

#### COMMUNICATION IN ACCORDANCE WITH ARTICLE 114, PARAGRAPH 5 OF LEGISLATIVE DECREE 58/98

**Bologna, April 24, 2013** – On April 17, 2013, CONSOB requested the Company, in accordance with Article 114, paragraph 5 of Legislative Decree No. 58/98 (the “CFA”), also in view of the Shareholders’ AGM called for April 26/29, 2013 for the approval of the 2012 Financial Statements, to issue a press release reporting the reasons for which the Board of Directors of the Company considered it correct not to apply the provisions of IAS 8 “*Accounting Policies, Changes in Accounting Estimates and Errors*” to rectify the alleged errors uncovered by the Commission in the preparation of the 2011 Financial Statements, as indicated in CONSOB Decision No. 18430 (“Decision No. 18430”) of December 21, 2012, subject to press release of December 27 which is fully recalled.

In this regard, it is noted:

- in relation to the Separate and Consolidated Financial Statements for 2011 (the “Financial Statements”), the Commission, with Decision No. 18432 of December 21, 2012, on the conclusion of the investigative activities, declared the non-compliance of the Financial Statements with the regulations which govern their preparation and requested the publication of additional disclosure in accordance with Article 154-ter, seventh paragraph of the “CFA”.

In relation to the 2011 Consolidated Financial Statements – approved on March 23, 2012 - the Commission contested the accounting of part of the revaluation of the Motor TPL claims provisions (concerning years prior to 2010), which, according to CONSOB, should have been considered as a correction of an error of the previous year with the restatement of the 2010 Financial Statements, in compliance with IAS 8.

Therefore, on the approval of the 2011 Consolidated Financial Statements, the Company should have adjusted the 2010 Consolidated Result, improving consequently the 2011 Consolidated Result, for an amount at least equal to the under-provision in the Motor TPL claims provision highlighted by ISVAP in the Note of significant issues of November 17, 2011 and however for at least Euro 203 million, excluding the related tax effect;

- the company, in accordance with that established by CONSOB, although not agreeing with the findings of the Supervisory Authority concerning the non-compliance with IAS/IFRS of the Financial Statements, published the information requested through press release of December 27, 2012; the press release contained an Annex of the Pro-forma consolidated income statement and balance sheet, accompanied by the comparative figures, illustrating the outcome which accounting in line with this request would have produced on the balance sheet, on the income statement and on the net equity for the years 2010 and 2011;
- the above-stated supplementary information, as required by CONSOB, was also reported in the 2012 Consolidated Financial Statements, approved on March 20.

Given that stated above, despite the above-stated non-agreement of the Company in relation to the conclusions reached by CONSOB,

- considering that Decision No. 18432 involves, in relation to the Consolidated Financial Statements, the restatement for comparative purposes of the 2011 figures, identical to that announced to the market on December 27, 2012, without any impact on the 2012 balance sheet and income statement, which are therefore unchanged on those approved on March 20, 2013,

the Board of Directors of the Company, in the meeting held today, decided to incorporate the latest considerations of the Commission, approving a new version of the 2012 Consolidated Financial Statements and the relative Directors' Report, containing the restatement of the above-mentioned 2011 comparative figures.

The principal balance sheet and income statement effects from the restatement of the 2011 figures are summarised below:

- claims charges: reduction of Euro 203 million, as this amount, which represents the overall differential of the Motor TPL claims provision highlighted by ISVAP was considered, according to Decision No. 18432, as a correction of an error of the previous Consolidated Financial Statements and therefore, net of the tax effect, reduced the equity reserves;
- income taxes: increase of Euro 70 million, equal to the tax effect concerning the change to the claims charge.

This restatement resulted in a reduction in the 2011 Consolidated loss of Euro 133 million and a reduction of a similar amount of the equity reserves, with a total consolidated net equity which remains unchanged. In addition, these changes did not result in any amendment of the insurance liabilities represented by the claims provisions nor of the adjusted solvency margin.

In relation to the cash flow statement, neither the net liquidity deriving from operating activities nor the overall change in "Cash and cash equivalents" altered.

Finally, the changes to the closing balances presented in the Statement of changes in shareholders' equity represent the balance of the restatement previously illustrated, without, as previously stated, any change on the consolidated net equity at December 31, 2011. The 2011 Earnings per share table was also restated in line with IAS 8.

\*\*\* \*\*

For complete disclosure, the Consolidated Balance Sheet and Consolidated Income Statement 2012 are attached to the present note, accompanied by the 2011 comparative figures, which takes account also of the effects of the above-stated change.

It is also announced that, in accordance with applicable regulations, the above-stated Consolidated Financial Statements of Milano Assicurazioni at 31/12/2012, the updated Report of the Board of Directors and the new

Reports of the Independent Audit Firm and the Board of Statutory Auditors, will be made public at the registered office and at Borsa Italiana S.p.A. and also on the Company website ([www.milass.it](http://www.milass.it)) tomorrow April 25, 2013.

\*\*\* \*\*

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 "IAS restated" data was drawn up in line with Consob Decision No. 18432 of December 21, 2012 and corresponds with the financial disclosure previously made available with press release of December 27, 2012.

Milano Assicurazioni S.p.A.

[www.milass.it](http://www.milass.it)

***Press Office***

Stefano Genovese  
Claudia Galassi  
Tel. +39 02-64029102  
[ufficiostampa@fondiaria-sai.it](mailto:ufficiostampa@fondiaria-sai.it)

***Investor Relations***

Adriano Donati  
Floriana Amari  
Giancarlo Lana  
Tel. +39 011-6657642  
Tel. +39 02-64022574  
[investorrelations@fondiaria-sai.it](mailto:investorrelations@fondiaria-sai.it)

***AD Hoc Communication Advisors***

Sara Balzarotti  
Mob. +39 335 1415584  
Pietro Cavalletti  
Mob. +39 335 1415577

**CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2012**

*In Euro thousands*

**BALANCE SHEET – ASSETS**

		<b>2012</b>	<b>2011 IAS8 Restated</b>	<b>2011</b>
<b>1</b>	<b>INTANGIBLE ASSETS</b>	<b>234,775</b>	<b>242,489</b>	<b>242,489</b>
1.1	Goodwill	230,851	231,052	231,052
1.2	Other intangible assets	3,924	11,437	11,437
<b>2</b>	<b>PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>39,009</b>	<b>52,350</b>	<b>52,350</b>
2.1	Property	34,737	47,006	47,006
2.2	Other tangible assets	4,272	5,344	5,344
<b>3</b>	<b>REINSURANCE ASSETS</b>	<b>340,154</b>	<b>328,931</b>	<b>328,931</b>
<b>4</b>	<b>INVESTMENTS</b>	<b>8,475,412</b>	<b>8,355,884</b>	<b>8,355,884</b>
4.1	Investment property	613,188	910,693	910,693
4.2	Investments in subsidiaries, associates and joint ventures	111,964	100,416	100,416
4.3	Investments held to maturity	185,360	128,927	128,927
4.4	Loans and receivables	891,522	905,538	905,538
4.5	AFS financial assets	6,508,286	6,084,206	6,084,206
4.6	Financial assets at fair value through the profit or loss account	165,092	226,104	226,104
<b>5</b>	<b>OTHER RECEIVABLES</b>	<b>975,035</b>	<b>959,272</b>	<b>959,272</b>
5.1	Receivables from direct insurance operations	502,380	614,040	614,040
5.2	Receivables from reinsurance operations	32,505	47,067	47,067
5.3	Other receivables	440,150	298,165	298,165
<b>6</b>	<b>OTHER ASSETS</b>	<b>421,925</b>	<b>558,122</b>	<b>558,122</b>
6.1	Non-current assets or disposal groups classified as held for sale		44,503	44,503
6.2	Deferred acquisition costs	13,890	10,741	10,741
6.3	Deferred tax assets	283,663	393,848	393,848
6.4	Current tax assets	42,100	40,595	40,595
6.5	Other assets	82,272	68,435	68,435
<b>7</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b>320,299</b>	<b>470,804</b>	<b>470,804</b>
	<b>TOTAL ASSETS</b>	<b>10,806,609</b>	<b>10,967,852</b>	<b>10,967,852</b>

# **BALANCE SHEET – SHAREHOLDERS' EQUITY & LIABILITIES**

*In Euro thousands*

		2012	2011 IAS 8 Restated	2011
<b>1</b>	<b>SHAREHOLDERS' EQUITY</b>	<b>1,039,231</b>	<b>929,537</b>	<b>929,537</b>
<b>1.1</b>	<b>group</b>	<b>1,037,896</b>	<b>928,212</b>	<b>928,212</b>
1.1.1	Share capital	373,682	373,682	373,682
1.1.2	Other equity instruments			
1.1.3	Capital reserves	406,634	951,244	951,244
1.1.4	Retained earnings and other reserves	413,991	217,086	350,086
1.1.5	(Treasury shares)	-31,353	-31,353	-31,353
1.1.6	Translation reserve			
1.1.7	Profit or loss on AFS financial assets	106,665	-222,178	-222,178
1.1.8	Other gains and losses recorded directly in equity	-15,676	-5,790	-5,790
1.1.9	Group net loss	-216,047	-354,479	-487,479
<b>1.2</b>	<b>minority interest</b>	<b>1,335</b>	<b>1,325</b>	<b>1,325</b>
1.2.1	Share capital and reserves pertaining to minority interests	1,456	1,461	1,461
1.2.2	Gains and losses recorded directly in equity		-8	-8
1.2.3	Profit (loss) for the year pertaining to minority interests	-121	-128	-128
<b>2</b>	<b>PROVISIONS</b>	<b>92,101</b>	<b>119,870</b>	<b>119,870</b>
<b>3</b>	<b>INSURANCE CONTRACT LIABILITIES</b>	<b>8,874,513</b>	<b>9,072,199</b>	<b>9,072,199</b>
<b>4</b>	<b>FINANCIAL LIABILITIES</b>	<b>327,405</b>	<b>370,197</b>	<b>370,197</b>
4.1	Financial liabilities at fair value through profit or loss	72,510	70,858	70,858
4.2	Other financial liabilities	254,895	299,339	299,339
<b>5</b>	<b>PAYABLES</b>	<b>312,522</b>	<b>290,509</b>	<b>290,509</b>
5.1	Payables to direct insurance operations	19,495	24,723	24,723
5.2	Payables to reinsurance operations	33,272	26,604	26,604
5.3	Other payables	259,755	239,182	239,182
<b>6</b>	<b>OTHER LIABILITIES</b>	<b>160,837</b>	<b>185,540</b>	<b>185,540</b>
6.1	Liabilities of a discontinued group held for sale		0	0
6.2	Deferred tax liabilities	36,078	46,542	46,542
6.3	Current tax liabilities	10,096		
6.4	Other liabilities	114,663	138,998	138,998
	<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>10,806,609</b>	<b>10,967,852</b>	<b>10,967,852</b>

## INCOME STATEMENT

In Euro thousands

		2012	2011 IAS 8 Restated	2011
1.1	Net premiums	3,074,067	3,279,514	3,279,514
1.1.1	Gross premiums written	3,205,532	3,421,124	3,421,124
1.1.2	Premiums ceded to re-insurers	-131,465	-141,610	-141,610
1.2	Commission income	783	851	851
1.3	Income and charges from financial instruments recorded at fair value through profit or loss	11,200	-15,127	-15,127
1.4	Income from investments in subsidiaries, associates and joint ventures	594	388	388
1.5	Income from other financial instruments and property investments	384,244	372,321	372,321
1.5.1	Interest income	237,440	238,143	238,143
1.5.2	Other income	46,626	51,803	51,803
1.5.3	Profits realised	96,656	82,375	82,375
1.5.4	Valuation gains	3,522		
1.6	Other revenues	168,589	180,098	180,098
<b>1</b>	<b>TOTAL REVENUES AND INCOME</b>	<b>3,639,477</b>	<b>3,818,045</b>	<b>3,818,045</b>
2.1	Net charges relating to claims	-2,669,764	-2,859,765	-3,062,765
2.1.1	Amounts paid and changes in insurance contract liabilities	-2,773,898	-2,920,757	-3,123,757
2.1.2	Reinsurers' share	104,134	60,992	60,992
2.2	Commission expenses	-121	-233	-233
2.3	Charges from investments in subsidiaries, associates and joint ventures	-23,446	-17,549	-17,549
2.4	Charges from other financial instruments and property investments	-267,109	-392,761	-392,761
2.4.1	Interest expense	-10,905	-12,518	-12,518
2.4.2	Other charges	-20,455	-21,290	-21,290
2.4.3	Losses realised	-61,082	-52,355	-52,355
2.4.4	Valuation losses	-174,667	-306,598	-306,598
2.5	Management expenses	-588,484	-632,686	-632,686
2.5.1	Commissions and other acquisition expenses	-473,384	-508,066	-508,066
2.5.2	Investment management charges	-5,526	-5,521	-5,521
2.5.3	Other administration expenses	-109,574	-119,099	-119,099
2.6	Other costs	-371,187	-336,679	-336,679
<b>2</b>	<b>TOTAL COSTS AND CHARGES</b>	<b>-3,920,111</b>	<b>-4,239,673</b>	<b>-4,442,673</b>
	<b>LOSS BEFORE TAXES</b>	<b>-280,634</b>	<b>-421,628</b>	<b>-624,628</b>
<b>3</b>	Income taxes	63,310	36,170	106,170
	<b>NET LOSS FROM CONTINUING OPERATIONS</b>	<b>-217,324</b>	<b>-385,458</b>	<b>-518,458</b>
<b>4</b>	<b>PROFIT FROM DISCONTINUED OPERATIONS</b>	<b>1,156</b>	<b>30,851</b>	<b>30,851</b>
	<b>CONSOLIDATED LOSS</b>	<b>-216,168</b>	<b>-354,607</b>	<b>-487,607</b>
	group share	-216,047	-354,479	-487,479
	minority share	-121	-128	-128

# Segment Income Statement

In Euro thousands		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 recorded at fair value through profit or 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
<b>1</b>	<b>TOTAL REVENUES AND INCOME</b>	<b>3,057,852</b>	<b>3,192,633</b>	<b>562,129</b>	<b>598,054</b>	<b>15,205</b>	<b>23,060</b>	<b>8,470</b>	<b>11,071</b>	<b>-4,179</b>	<b>-6,773</b>	<b>3,639,477</b>	<b>3,818,045</b>
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 insurance contract liabilities	-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
<b>2</b>	<b>TOTAL COSTS AND CHARGES</b>	<b>-3,284,192</b>	<b>-3,779,476</b>	<b>-548,787</b>	<b>-579,153</b>	<b>-82,906</b>	<b>-80,085</b>	<b>-8,405</b>	<b>-10,732</b>	<b>4,179</b>	<b>6,773</b>	<b>-3,920,111</b>	<b>-4,442,673</b>
	<b>LOSS BEFORE TAXES</b>	<b>-226,340</b>	<b>-586,843</b>	<b>13,342</b>	<b>18,901</b>	<b>-67,701</b>	<b>-57,025</b>	<b>65</b>	<b>339</b>	<b>0</b>	<b>0</b>	<b>-280,634</b>	<b>-624,628</b>
	INCOME TAXES											63,310	106,170
	PROFIT FROM DISCONTINUED OPERATIONS											1,156	30,851
	<b>CONSOLIDATED LOSS</b>											<b>-216.168</b>	<b>-487.607</b>
	group share											-216.047	-487.479
	minority share											-121	-128

