PRESS RELEASE

INTEGRATION PLAN OF UNIPOL AND FONDIARIA-SAI GROUP: UPDATE OF BUSINESS GUIDELINES

Unipol Group's main targets for 2015[1]:

- **Non-Life Premiums: €10.3bn**
- **Life Premiums: €7.2bn**
- **Combined ratio (direct business): 93%**
- **Consolidated net profit: €880m**
- **Solvency margin: 169% (Solvency I), 143% (Solvency II)**

Unipol-Sai's[2] main targets for 2015:

- **Non-Life Premiums: €9.5bn**
- **Life Premiums: €6.5bn**
- **Combined ratio (direct business): 93%**
- **Consolidated net profit: €821m**
- **Solvency margin: 168% (Solvency I), 184% (Solvency II)**

Key elements of the integration plan:

- **Creation of an insurance market leader in Italy with a European dimension**
- **Strong potential to streamline the Fonsai Group thanks to Unipol's proven ability in this field: expected synergies €345m in 2015**
- **A 14 million-strong customer base and the largest network of agents in Italy**
- **Best use made of the complementary aspects of UGF's and Unipol-Sai's specialist companies**
- **Strong financial position to support the Business Plan: €1.7bn of additional capital in Unipol-SAI**

[1] Post-integration, hereafter also referred to as 'The New UGF'
[2] Entity resulting from the merger of Unipol Assicurazioni S.p.A., Fondiaria-SAI S.p.A., Milano Assicurazioni S.p.A. and Premafin S.p.A. (approved name). Except where otherwise specified 'Unipol-SAI' refers to the Group composed of Unipol-SAI and its subsidiaries.

Bologna, 22 June 2012 – The updated business guidelines for the integration plan of Unipol and Fondiaria SAI, already presented to the markets on 16 March 2012, will be presented today.

This review was based on the following factors that have subsequently emerged:

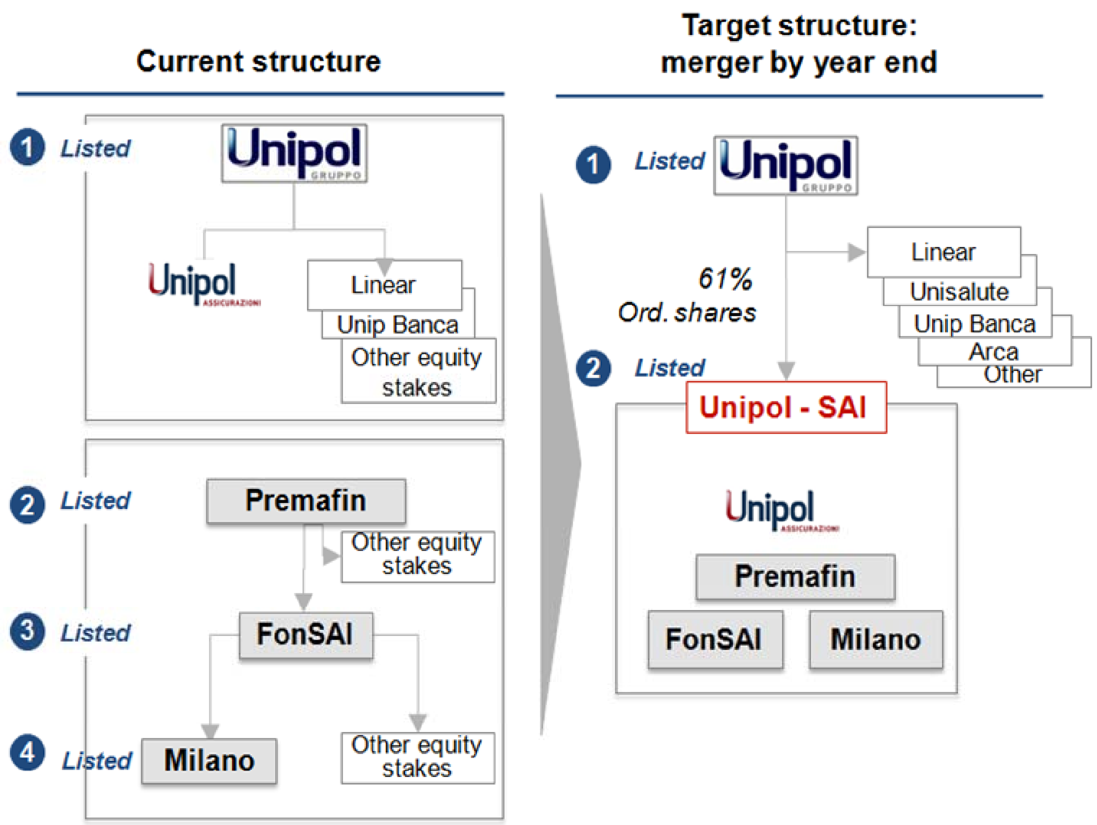
- Availability of the final results for the Unipol and Fondiaria-SAI Groups for 2011
- Fondiaria-SAI Group's 2012-14 Business Plan (approved by its Board of Directors on 15 March and made available to Unipol)
- Undertakings to meet the requirements of the Italian Antitrust Authority
- Plan to restructure Premafin's debt (signed on 14 June)
- Stakes in the ordinary capital of the combined entity approved by the Boards of Directors of Unipol (15 June), Premafin (10 June), Fondiaria-SAI (11 June) and Milano Assicurazioni (12 June).

Description of the process

The reorganisation and integration plan is split into the following stages:

- Premafin put forward a plan to enable its debt exposure to be restructured and its financial position to be rebalanced (signed on 14 June)
- Capital increases for the companies involved in the operation
    - Unipol Gruppo Finanziario S.p.A., approximately €1.1bn
    - Unipol Assicurazioni, approximately €600m
    - Fondiaria SAI, approximately €1.1bn
- Unipol Gruppo Finanziario S.p.A. will provide Premafin with a maximum of €400m of financial resources by investing in a capital increase reserved for Unipol Gruppo Finanziario S.p.A.
- Merger by incorporation of Premafin, Fondiaria Sai, Milano Assicurazioni and Unipol Assicurazioni, under the control of Unipol Gruppo Finanziario S.p.A.

This operation will enable the corporate structure to be simplified, with a shorter chain of control and a consequent reduction in the number of listed companies.



The business rationale for the operation: restructuring and simplification

The acquisition of the Fondiaria-SAI Group is part of the Unipol Group's strategic plan to focus on its core business, which consists of the retail segment, SMEs and workplaces, particularly Non-Life business.

In this context, external growth will provide the opportunity to create value in Fondiaria Sai in the same ways as those already adopted by Unipol in its 2010-2012 business plan, resulting, inter alia, in an improvement in the combined ratio for Non-Life business of more than 15pp over the last two years (93.1% in 1Q12).

The business rationale for the integration plan is based on the following cornerstones:

- Creation of an insurance market leader in Italy, with a top ranking in the sector in Europe
- Strong potential to streamline the Fonsai Group thanks to Unipol's proven ability in this field: expected synergies €345m in 2015

- A 14 million-strong customer base and the largest network of agents in Italy
- Introduction of a new model for the network of agencies, already up and running in Unipol
- Best use made of the complementary aspects of UGF's and Unipol-SAI's specialist companies
- Strong financial position to support the Business Plan: €1.7bn of additional capital in Unipol-SAI

Synergies and creating value

It is estimated that by simplifying the operational model, restructuring Fondiaria-SAI's risk portfolio, increasing productivity in Non-MV classes and Life business and optimising financial management it may be possible to achieve approximately €345m of synergies in 2015. These synergies will be the result of an improvement in Non-Life technical business (€122m), reduced operating costs (€169m), increased productivity and an improvement in asset allocation (€54m).

Principal targets and key figures

The Unipol Group's **Non-Life** premiums are expected to be down to €10.3bn in 2015 (€11.4bn in 2011), including premiums ceded in order to meet the requirements of the Antitrust Authority. **Non-MV** premiums are expected to total €3.9bn in 2015 (€4.1bn in 2011) and **MV** premiums to amount to €6.4bn (€7.3bn in 2011).

Profitability is expected to make a strong recovery, reflected in a combined ratio that is expected to drop from 104.2% in 2011 (aggregate figures) to 93% in 2015. This will translate into a positive technical result of €612m (compared with a loss of €699m in 2011).

Specifically, over the same period Unipol-SAI's loss ratio is expected to fall from the 2011 figure of 80.2% to 68.5% in 2015. The improvement is mainly due to best practice at the underwriting and claims-handling stages, as already successfully implemented by Unipol under its 2010-2012 Business Plan, being extended to the new Group scope. The expense ratio, including the other core items, is expected to fall slightly (from 24.6% in 2011 to 24.5% in 2015), despite this indicator rising as a result of the improvement in the product mix, inertia cost increases and conservative predictions for underwriting policies.

The Unipol Group expects **Life** premiums to reach €7.2bn in 2015 as a result of bancassurance premiums rising to €3.2bn and €4bn in premiums obtained via agencies.

Property assets are expected to be down from €4.6bn in 2011 (aggregate figures) to €3.9bn in 2015. Property assets will be managed in such a way as to reduce the trading portfolio. Property to be upgraded will be converted and renovated and rents will be reviewed. Property development will be handled direct, with a strong emphasis on existing commitments.

The Unipol Group's **investment portfolio** is expected to increase from €44bn in 2011 to €50.6bn in 2015, with growth in the bond component (from 78.2% in 2011 to 83.9% in 2015) and a reduction in property (from 10.4% to 7.8%). Investments in shares are expected to fall slightly (from 5.5% to 5.4%).

The **equity profile** resulting from the operation shows a significant improvement in the outlook for the solvency margin, which for the New UGF is expected to rise from 139% (pro-forma) in 2011 to 169% in 2015 (post-ISVAP regulations). The Solvency II ratio is estimated to reach 143% in 2015 (123% in 2011).

Debt is expected to fall from €4.1bn in 2011 to €3.3bn in 2015, mainly owing to the debts of the former Premafin being converted (€202m) and part of the senior debt of UGF and FonSai being repaid (€175m and €250m respectively).

The Unipol Group has undertaken to carry out the following transactions in order to meet the requirements of the Antitrust Authority:

- Cede €1.7bn in premiums, mainly MV TPL
- Sell investments in Mediobanca and Generali
- Reduce its subordinate debt exposure to Mediobanca from €1.45bn to €1.1bn

The Unipol Group's ROTE (Return on Average Tangible Common Equity) is expected to reach 18% in 2015 (20.8% for Unipol-SAI), proof of the creation of value for the Group's shareholders, who are expected to benefit from a pay-out ratio of between 60% and 80%.

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The main economic and financial objectives of the Unipol Group and Unipol-SAI may be summed up in the following tables:

New UGF				
Figures in €m	2011 Total [1]	2015E	CAGR 11-15	Delta
Non-Life Business				
Non-Life Premiums (dir. bus.)	11,388	10,306	-2,5%	(1,082)
Combined Ratio (dir. bus.)	104.2%	93.0%		(11.2) p.p.
Loss Ratio (dir. bus.)	80.1%	69.1%		(11.0) p.p.
Expense Ratio (dir. bus.)	22.5%	22.6%		0.2 p.p.
Other Technical Items	1.7%	1.3%		(0.4) p.p.
Non-Life Technical Margin	(699)	612	n.s.	1,311
Technical Provisions	20,042	16,800	-4.3%	(3,242)
Life Business				
Life Premiums (dir. bus.)	6,229	7,152	3.5%	923
Life APE	622	800	6.5%	178
Gross Result	(168)	289	n.s.	457
Technical Provisions	39,882	40,074	0.1%	192
Gross Result/Technical Provisions	< 0	0.73%		n.s.
Banking business [2]				
Lending to Clients (€bn)	10,835	11,087	0.6%	252
Gross operating income	365	491	7.7%	126
Net Profit	(210)	66	n.s.	276
Consolidated Results				
New UGF				
Net result	(1,125)	880	n.s.	2,010
Equity	5 364	7 003	6.9%	1,649
ROTE [3]	< 0	18.0%		n.s.
Solvency I	139%	169%		30 p.p.
Solvency I pre-ISVAP regulations	124%	153%		29 p.p.
Solvency II	123%	143%		20 p.p.

(1) Figures include the effects of the operation on equity

(2) Gruppo Bancario Unipol and Banca SAI S.p.A.

(3) ROTE = Net Profit / Equity, adjusted for intangible fixed assets

Unipol – SAI				
Figures in €m	**2011 Total** (1)	**2015E**	**CAGR 11-15**	**Delta**
Non-Life Business				
Non-Life Premiums (dir. bus.)	10,824	9,522	-3.2%	(1,302)
Combined Ratio (dir. bus.)	104.8%	93.0%		(11.8) p.p.
Loss Ratio (dir. bus.)	80.2%	68.5%		(11.7) p.p.
Expense Ratio (dir. bus.)	22.8%	23.1%		0.3 p.p.
Other Technical Items	1.7%	1.4%		(0.3) p.p.
Non-Life Technical Margin	(732)	569	n.s.	1,301
Technical Provisions	19,276	15,793	-4.9%	(3,483)
Life Business				
Life Premiums	5,582	6,502	3.9%	920
Life APE	554	737	7.4%	183
Gross Result	(224)	253	n.s.	476
Technical Provisions	36,705	36,097	-0.4%	(608)
Gross Result/Technical Provisions	< 0	0.71%		n.s.
Consolidated Results				
Unipol-SAI				
Net Results	(1,126)	821	n.s.	1,947
Equity	2.785	4.296	11,4%	1,511
ROTE(2)	< 0	20.8%		n.s.
Solvency I	130%	168%		38 p.p.
Solvency I pre-ISVAP regulations	114%	150%		37 p.p.
Solvency II	126%	184%		58 p.p.

(1) Figures include the effects of the operation on equity

(2) ROTE = Net Profit / Equity, adjusted for intangible fixed assets

A conference call will be held today to present the Unipol–Fondiaria SAI Group integration plan to the financial community.

Details of how to participate in the event by telephone or webcast are shown on the home page of the website www.unipol.it. Financial analysts and institutional investors will be able to put questions to the Unipol management team at the end of the presentation.

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All the documents used in the conference call will be made available to the public, in accordance with current legislation, on the Investor Relations section of Unipol's website *www.unipol.it*.

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Glossary:

APE: Annual Premium Equivalent, obtained by adding the annual premium income from new business and a tenth of the single premiums from new business
COMBINED RATIO: sum of Loss Ratio and Expense Ratio
CAGR: Compound Annual Growth Rate, average annual rate of growth
EXPENSE RATIO: ratio between operating expenses and Non-Life premiums
LOSS RATIO: ratio between claims and Non-Life premiums
ROTE: ratio between Net Profit and Equity adjusted for intangible fixed assets

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