

PRESS RELEASE

**Meieaurora - Winterthur Italia Group  
Merger plan approved.  
Birth of the third composite Italian insurer.**

Bologna, 19 December 2003.

The Boards of Directors of Unipol Assicurazioni S.p.A., Meieaurora S.p.A. and Winterthur Assicurazioni S.p.A. have, during their respective meetings held today, approved the plan for a merger of Meieaurora and the Winterthur Italia Group, the first phase of which provides for the incorporation of Meieaurora and New Win Assicurazioni into Winterthur Assicurazioni.

The merger will give birth to the third composite Italian insurer; based on provisional data for 2003 it will have premium income of around €3.2bn, 2400 staff and 2500 points of sale, and will offer its services to more than 3 million clients (50% of these in Northern Italy and 50% in the south-central area).

The new company will have its registered office in Milan, as provided for in the strategic plan for the Unipol Group, and will constitute the insurance hub for Milan, alongside that for Bologna, where the Parent company, Unipol Assicurazioni, is located (€2.4bn in premium income estimated for 2003).

The aggregated premium income of the Unipol Group, also including the output from the specialized companies and bancassurance, will exceed €8.8bn in 2003.

The merger plan constitutes an integral part of Unipol Group's three-year plan, as presented to the financial community last July, and aims to achieve an increasingly focused pursuit of income targets, growth, and generation of returns for shareholders, by achieving significant economies of scale and cost savings, as well as commercial synergies for all the companies involved in the plan.

To this end, the reference macro organizational structure has been defined and the process of migrating the information systems of the Winterthur Italia Group into the Unipol systems has begun. The activities of the Group in terms of claims settlement, finance and real estate business are also in the process of being centralized in Unipol Assicurazioni.

Subject to authorization by ISVAP, the supervisory body for the insurance sector, the detailed plan includes the following operations:

- the purchase by Winterthur Assicurazioni of 90% of the capital of Winterthur Vita, of which 60.22% from Unipol Assicurazioni and 29.78% from Winterthur Italia Holding;
- a controlling share, equal to 54%, of the capital of Meieaurora to be conferred on Winterthur Assicurazioni by Unipol Assicurazioni, by means of a reserved capital increase;
- merger by incorporation of Meieaurora and New Win Assicurazioni (100% controlled) into Winterthur Assicurazioni.

The merger plan for the incorporation of Meieaurora and New Win Assicurazioni into Winterthur Assicurazioni, which will be made available to Shareholders in accordance with legal requirements, will be submitted for approval by Extraordinary Meetings of the respective companies, which will take place during this coming January.

## TECHNICAL FEATURES OF THE OPERATION

In order to bring the nominal values of the shares of the companies involved in the merger operation more into line, simplifying share exchange operations by eliminating remainders and fractions, the Board of Directors of Winterthur Assicurazioni has decided to recommend to the convened Shareholders Meeting:

- a free increase in nominal capital from €129,455,235.84 to €142,250,230.08, by an increase in the nominal unit value of shares from €5.16 to €5.67;
- the division of the nominal value of shares from €5.67 to €0.27;
- an increase in paid nominal capital from €142,250,230.08 to €197,880,805.98 by issuing 206,039,170 ordinary shares, each having a nominal value of €0.27, at a unit issue price equal to around €1.93, inclusive of a premium of around €1.66 per share, reserved to the Parent company Unipol Assicurazioni under the terms of Article 2441 (4) of the Civil Code, to be released by conferring 206,039,170 shares held by Unipol Assicurazioni on Meieaurora, equal to 54% of the relevant capital.

In order to determine the share exchange ratios relating to the aforesaid merger operation (and for determination of the exchange ratio for the shares to be conferred), the Boards of Directors of the companies concerned have availed themselves of the services of competent external consultants. The valuation methods adopted to estimate the value of the financial capital of the companies involved, based on their financial statements as at 30 September 2003, reflect the varied methodologies used in current valuation procedures within the insurance sector.

Based on the valuation elements taken into consideration, which the Boards of Directors shared, the following share exchange ratio was arrived at:

one Winterthur Assicurazioni share for each Meieaurora share.

In support of the share exchange ratio, Winterthur Assicurazioni will resolve on a capital increase from €197,880,805.98 to €245,269,814.94, by issuing 175,514,848 shares having a nominal unit value of €0.27.

The matter will then proceed as follows:

- cancellation without exchange, as provided for in the applicable legal provisions, of the ordinary shares representing the entire capital of New Win Assicurazioni, insofar as these are wholly owned by Winterthur Assicurazioni;
- cancellation without exchange, as provided for in the applicable legal provisions, of the ordinary shares in Meieaurora held by Winterthur Assicurazioni;
- allocation to each Meieaurora shareholder (except for Winterthur Assicurazioni) of one share in Winterthur Assicurazioni for each Meieaurora share.

The new Winterthur Assicurazioni shares arising from application of the exchange ratio will be issued, in accordance with the proper procedures for centralised shares with Monte Titoli S.p.A., as dematerialized shares in accordance with Articles 28 et seq. of Legislative Decree 213 of 24 June 1998 and made available to those entitled, by means of the respective authorized depositories which are members of Monte Titoli S.p.A., commencing from the business day following the date from which the legal effects of the merger run.

Shares issued for the purposes of the exchange will have normal dividend entitlement.

The effects of the merger will run from the final registration provided for by the merger agreement, or from such subsequent date given in the agreement itself.

Compagnia Assicuratrice Unipol S.p.A.