

## PRESS RELEASE

(In accordance with Articles 66 and 71-*bis* of the Regulations adopted by CONSOB Resolution 11971/1999 and subsequent amendments)

### **The merger of Winterthur Vita, Centro Servizi Missori and Immobiliare San Vigilio into Aurora Assicurazioni has been approved**

Milan, 28 July 2004

The General Shareholders' Meetings of Aurora Assicurazioni S.p.A., Winterthur Vita S.p.A., Centro Servizi Missori S.r.l. and Immobiliare San Vigilio S.p.A., held today in Milan, approved the plan to merge Winterthur Vita, Centro Servizi Missori and Immobiliare San Vigilio into Aurora Assicurazioni (hereinafter referred to as the 'Merger').

The Merger described in this press release carries no risks of potential conflicts of interest with the companies involved in the merger plan, the parties related to Unipol Assicurazioni S.p.A., as mentioned in more detail in the following paragraph 'Companies involved in the Merger'.

#### **COMPANIES INVOLVED IN THE MERGER**

##### **The companies to be incorporated**

Winterthur Vita, an insurance company operating in Life business, ended 2003 with premium income of €596m and net profits of €18.8m. Winterthur Vita is owned by Aurora Assicurazioni, which holds 90% of the share capital, and Finsoe S.p.A., which holds the remaining 10% of the share capital.

Centro Servizi Missori and Immobiliare San Vigilio are small companies controlled entirely by Aurora Assicurazioni and operate in the property sector.

##### **The incorporating company**

Aurora Assicurazioni, the third largest composite insurance company operating in Italy, constitutes the Unipol Group presence in Milan and works alongside the companies based in Bologna – the Parent Company Unipol Assicurazioni, the specialist insurance companies and the Unipol Banca Banking Group. The company has premium income of €3.2bn (pro forma figure for 2003), approximately 3 million customers and a sales network of more than 1,300 agencies throughout Italy.

According to CONSOB communication DEM/2064231 dated 30 September 2002 Aurora Assicurazioni, Winterthur Vita, Centro Servizi Missori and Immobiliare San Vigilio are deemed to be parties related to Unipol Assicurazioni since they are controlled, directly and indirectly, by the latter.

Finsoe, which owns 10% of Winterthur Vita, is also related to Unipol Assicurazioni since it is its holding company and thus the holding company of the companies involved in the Merger.

### **ECONOMIC REASONS FOR THE MERGER**

As reported previously, the Merger is the final part of the plan to integrate Meieaurora S.p.A. and the Winterthur (Italia) Group. This integration represents a major element in Unipol Group's three-year plan presented to the financial community in July 2003 and its objective is the ever more incisive pursuit of the aims of increasing profits, stimulating growth and creating value for shareholders by making significant economies of scale and of cost and bringing about commercial synergies for all the companies involved in the plan.

In particular, some of the advantages arising from the merger can be summed up as follows:

- keeping operating costs down, in particular by sharing IT and telecommunications systems;
- making economies of scale on investments;
- carrying out major cross-selling operations, in particular with the Unipol Banca Banking Group.

### **TECHNICAL PROCEDURES FOR THE MERGER**

As Aurora Assicurazioni holds 90% of the share capital of Winterthur Vita, the Board of Directors of the incorporating company has decided to take advantage of the option provided for in Article 2505-*bis*, para 1, of the Civil Code and therefore not to appoint the experts referred to in 2501-*sexies* of the Civil Code but to offer those Winterthur Vita shareholders who are third parties as far as the incorporating company is concerned the right to sell their Winterthur Vita shares to it for the sum of €1,375.46 per share determined in accordance with the withdrawal criteria. The External Auditors involved – KPMG S.p.A. – and the Board of Statutory Auditors have expressed their approval of this amount being determined in accordance with Article 2437-*ter*, para. 2, of the Civil Code.

The shareholders to whom this offer was addressed have communicated to the incorporating company their intention not to take up the offer and consequently to take part in the Merger by receiving Aurora Assicurazioni shares in exchange for their Winterthur Vita shares, which will be cancelled as a result.

The General Shareholders' Meetings of Winterthur Vita, Centro Servizi Missori, Immobiliare San Vigilio and Aurora Assicurazioni have approved the Merger on the basis of the respective companies' financial statements as at 31 December 2003.

The Merger will involve:

- (i) in accordance with the relevant legislation, cancelling the ordinary shares representing the entire share capital of Immobiliare San Vigilio and the shares

representing the entire capital of Centro Servizi Missori without converting them, since both companies were wholly owned by the incorporating company;

- (ii) in accordance with the relevant legislation, cancelling the ordinary shares of Winterthur Vita held by the incorporating company without converting them;
- (iii) allocating to Winterthur Vita's sole shareholder (other than Aurora Assicurazioni) 11,396,177 shares in the incorporating company each with a nominal value of €0.27 in exchange for the 19,500 shares in Winterthur Vita each with a nominal value of €600 that it holds.

In accordance with the procedures for shares registered with Monte Titoli S.p.A. the new Aurora Assicurazioni shares resulting from the application of the conversion ratio will be issued using the dematerialization procedure in accordance with Article 28 et seq. of Legislative Decree 213 of 24 June 1998 and made available to the beneficiaries through the various authorized depositories registered with Monte Titoli as from the business day following the date on which the Merger takes legal effect.

The shares issued for the purpose of conversion will be cum-coupon.

The operations of the companies to be incorporated will be included in Aurora Assicurazioni's accounts as from 1 January of the year in which the last of the registrations referred to in Article 2504 of the Civil Code takes place, which is also the date from which the tax effects will come into force.

As far as third parties are concerned the merger will take legal effect as from the date of the last of the registrations referred to in Article 2504 of the Civil Code or as from a later date laid down at the time the merger takes place.

The merger is subject to the approval and authorization required by law.

In order to set the share conversion ratio for the Merger, the Boards of Directors of the companies concerned have worked with external consultants, viz. Prof. Maurizio Dallochio and Dr Claudio Zulli of the firm *Zulli Tabanelli e Associati*. The valuation methods used to estimate the value of the economic capital of the companies concerned are those currently most commonly used in the insurance sector.

## **ECONOMIC, CAPITAL AND FINANCIAL EFFECTS OF THE MERGER**

The operations described will not have any significant economic, financial nor capital effects on the consolidated accounts of the Parent Company Unipol Assicurazioni.

When the Merger operations are concluded Unipol Assicurazioni will hold approximately 86.64% of the share capital of Aurora Assicurazioni.

## **OTHER INFORMATION ON THE MERGER**

In view of the size that the company will reach as a result of the merger operation described above, the Ordinary General Meeting of Aurora Assicurazioni also resolved to enlarge the Board of Directors from 10 to 13 members. It also reviewed the emoluments to be paid to the directors, raising them to €40,000 per annum for each board member.

Apart from the companies mentioned in this press release the Merger involves no other parties related to Unipol Assicurazioni. However it should be pointed out that when the Merger is finalized Finsoe, Unipol Assicurazioni's holding company (which currently holds 10% of Winterthur Vita's share capital and 5.82% of Aurora Assicurazioni's share capital), will hold approximately 7% of Aurora Assicurazioni's share capital.

#### **OTHER RESOLUTIONS**

The General Shareholders' Meeting of Aurora Assicurazioni held today also resolved to authorize the Company's Board of Directors, in accordance with Article 2443 of the Civil Code and for a period of 5 years from the date of the resolution the power to:

- increase the share capital, free and/or for a consideration, all in one go or over a period, by a maximum nominal amount of €50m, in accordance with Article 2441 of the Civil Code;
- consequently lay down, from time to time, the issue price for the new shares, including any share premium, the dividend rights, the procedures, the dates, the times and the terms for the capital increase.

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This press release fulfils the requirements for providing notification laid down for major operations with related parties in Article 71-*bis* of the Regulations adopted by CONSOB Resolution 11971/1999 and subsequent amendments, since it contains all the necessary information.

Compagnia Assicuratrice Unipol S.p.A.

Aurora Assicurazioni S.p.A.