



## PRESS RELEASE

(in accordance with Article 66 of the Regulation adopted  
with CONSOB Resolution 11971/1999, as amended)

**The merger  
of Meieaurora and the Winterthur Italia Group,  
which will give rise to 'Aurora Assicurazioni S.p.A.',  
the third-largest composite insurance company in Italy, has  
been approved.**

Milan, 27 January 2004

The General Meetings of Shareholders of Meieaurora S.p.A., Winterthur Assicurazioni S.p.A. and NewWin Assicurazioni S.p.A., held today in Milan, have approved the plan to merge Meieaurora and the Winterthur Italia Group (hereinafter referred to as the 'Merger'), which will give rise to 'Aurora Assicurazioni S.p.A.', the third-largest composite insurance company in Italy with premium income of €3.2bn, capital and reserves of €1bn and assets under management of €9bn (*pro forma* figures for 2003).

Aurora Assicurazioni will have its registered office in Milan and will constitute the insurance hub for Milan of the Unipol Group, alongside that for Bologna, where the Parent Company, Unipol Assicurazioni, is located. Aurora will have a sales network of more than 1,300 agencies throughout the country and around three million customers.

The Merger does not give rise to risks linked to any potential conflicts of interest with the companies involved in the plan, the parties related to Unipol Assicurazioni, as described in more detail in the paragraph 'Companies involved in the Merger' below.

### **FEATURES, PROCEDURES, TERMS AND CONDITIONS OF THE OPERATION**

The Merger, the finalization of which is dependent on the required legal authorizations being obtained, is divided into the following operations:

- acquisition by Winterthur Assicurazioni of 90% of the capital of Winterthur Vita, 60.22% from Unipol Assicurazioni and 29.78% from Winterthur Italia Holding; this acquisition has been authorized and has therefore already been finalized;

- conferment on Winterthur Assicurazioni by Unipol Assicurazioni of a controlling share, equal to 54%, of Meieaurora's share capital by means of a reserved capital increase;
- merger by incorporation of Meieaurora and NewWin Assicurazioni (100% controlled) into Winterthur Assicurazioni.

Following completion of the above-mentioned operations the activities of Winterthur Vita S.p.A. will be merged into Aurora Assicurazioni S.p.A. in the way and in accordance with the procedures deemed most appropriate.

## **COMPANIES INVOLVED IN THE MERGER**

The Merger involves Unipol Assicurazioni as the company allocating 54% of Meieaurora's share capital, Winterthur Assicurazioni as the company to which the capital is allocated and as the incorporating company, and Meieaurora and NewWin Assicurazioni as the companies being incorporated.

In accordance with CONSOB communication DEM/2064231 of 30 September 2002 Meieaurora, Winterthur Assicurazioni and NewWin Assicurazioni are deemed to be related to Unipol Assicurazioni since it controls them, directly and indirectly.

## **BACKGROUND OF THE MERGER**

As previously mentioned the Merger is an integral part of the Unipol Group's three-year plan announced to the financial community last July. The intention is to be ever more incisive in pursuing the objectives of profitability, growth and creating value for shareholders by making substantial economies of scale and of cost and creating marketing synergies for all the companies involved in the plan.

In particular some of the advantages that will result from the Merger can be summarized as follows:

- keeping administrative costs down, in particular by sharing IT and communications systems;
- making economies of scale on investments;
- carrying out major cross selling activities, in particular with the Unipol Banca S.p.A. banking group.

## **TECHNICAL PROCEDURES FOR THE MERGER**

Winterthur Assicurazioni's Shareholders' Meeting voted for:

- a free increase in the share capital from a nominal €129,455,235.84 to a nominal €142,250,230.08 by increasing the nominal unit value of the shares from €5.16 to €5.67 and by splitting the nominal value of the shares from €5.67 to €0.27. These resolutions were passed in order to make the nominal values of the shares of the companies involved in the conferment and merger operation illustrated below more homogeneous, thus simplifying the share exchange operations by eliminating residual amounts and fractions;

- an increase in the share capital, in accordance with Article 2440 of the Civil Code, of €55,630,575.90, thus from a nominal €142,250,230.08 to a nominal €197,880,805.98, by issuing 206,039,170 ordinary shares each with a nominal value of €0.27 at an issue price of approximately €1.93 each and therefore for a total of €397,762,738.47, including a premium of approximately €1.66 per share, which comes to a total of €342,132,162.57, with dividend entitlement, to be paid for exclusively by Unipol Assicurazioni S.p.A. by conferment of a holding of 206,039,170 Meieaurora S.p.A. ordinary shares. From the accounting and tax point of view, in accordance with the relevant legal provisions the conferment will be based on the value of the Meieaurora holding shown in Unipol Assicurazioni's accounts.

The Shareholders' Meetings of Meieaurora, NewWin Assicurazioni and Winterthur Assicurazioni then approved the merger by incorporation of Meieaurora and NewWin Assicurazioni into Winterthur Assicurazioni on the basis of the statements of assets and liabilities as at 30 September 2003. This merger will involve:

- (i) allotment of 1 ordinary share in Winterthur Assicurazioni with a nominal value of €0.27, with dividend entitlement, for each Meieaurora share with a nominal value of €0.50, by:
  - increasing Winterthur Assicurazioni's share capital by €47,389,008.96 by issuing 175,514,848 ordinary shares each with a nominal value of €0.27, to be allotted to Meieaurora Shareholders other than Winterthur Assicurazioni in accordance with the predetermined share exchange ratio on the date the merger comes into effect;
  - cancelling all the shares making up Meieaurora's entire share capital;
- (ii) cancellation without exchange of all the shares making up NewWin Assicurazioni's entire share capital.

The new shares in Aurora Assicurazioni S.p.A. (formerly Winterthur Assicurazioni) arising from application of the share 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 to them, via the various authorized depositaries 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.

In accordance with Article 2437 of the Civil Code those Winterthur Assicurazioni shareholders who did not vote for the merger are entitled to withdraw in view of the alteration to the corporate purpose. Winterthur Assicurazioni's Board of Directors has resolved that compensation for withdrawal should be €2.31 per share.

The operations of the companies being incorporated, Meieaurora and NewWin Assicurazioni, will be recorded in the accounts of Aurora Assicurazioni S.p.A. as from 1 January of the year in which the last of the entries referred to in Article 2504 of the Civil Code is made, which is also the date on which they will become subject to taxation.

From the point of view of third parties the legal effects of the merger will begin on the date on which the last of the entries referred to in Article 2504 of the Civil Code is made, or from a later date specified when the merger document is drawn up.

The merger document will be drawn up subject to obtaining the approval and authorization prescribed by law and subject to the increase in the share capital to be made in accordance with Article 2440 of the Civil Code, as previously mentioned, being fully paid up.

In order to determine the share exchange ratio for the merger operation (and in order to determine the conferment exchange ratio), the Boards of Directors of the companies concerned have taken advice from expert external consultants – Prof. Maurizio Dallochio and Dott. Claudio Zulli of Zulli Tabanelli and Associates. The valuation methods adopted for estimating the value of the economic capital of the companies concerned are the various methods currently used for valuations in the insurance sector.

The conferment operation was voted on after the opinion of the auditors KPMG S.p.A. had been taken into account in accordance with Article 2441 (6) of the Civil Code and with Article 158 (3) of Legislative Decree 58 of 24 January 1998 and having regard to the sworn statement, provided for by Article 2343 of the Civil Code, drawn up by Prof. Massimo Saita, the expert appointed by the Chief Judge of the Milan Court.

The merger operation was voted on having regard to the reports on the suitability of the share exchange ratio issued in accordance with Article 2501 quinquies (now sexes) of the Civil Code by KPMG S.p.A. on behalf of Winterthur Assicurazioni and by BDO Sala, Scelsi, Farina S.R. p.A. on behalf of Meieaurora.

#### **ECONOMIC, PROPERTY AND FINANCIAL CONSEQUENCES OF THE MERGER**

The operations referred to will have no significant economic, property or financial consequences for the consolidated accounts of the Parent Company, Unipol Assicurazioni.

On completion of the operations on which the merger is based, Unipol Assicurazioni will hold approximately 87.7% of the share capital of Aurora Assicurazioni S.p.A..

#### **OTHER INFORMATION RELATING TO THE MERGER**

It is not expected that there will be any change in the amount of the emoluments drawn by the Directors of Unipol Assicurazioni and of Aurora Assicurazioni (formerly Winterthur Assicurazioni) as a result of the Merger.

Apart from the companies mentioned in this press release the Merger does not involve other parties related to Unipol Assicurazioni. However, we should point out that once the Merger is finalized Finsoe S.p.A., Unipol Assicurazioni's holding company (which currently has a holding of 10% of the share capital of Winterthur Assicurazioni), will hold approximately 5.8% of the share capital of Aurora Assicurazioni S.p.A.

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This press release also absolves us from the duty of notification specified for relevant transactions with related parties in Article 71 bis of the Regulation adopted with Consob Resolution 11971/1999 as amended, since it contains all the information required.

Compagnia Assicuratrice Unipol S.p.A.  
Meieaurora S.p.A.  
Winterthur Assicurazioni S.p.A.