

PRESS RELEASE

START OF UNIPOL GROUP'S REORGANIZATION PLAN

The plan provides for the merger by incorporation of Aurora Assicurazioni into Unipol Assicurazioni.

Prior to the merger, Unipol and Aurora will contribute their insurance businesses into two subsidiaries which they will fully control.

Prior to the merger, Unipol will launch a voluntary public tender offer on all Aurora ordinary shares not already held by Unipol, at a price of €2.45 per share.

San Donato Milanese, 11 December 2006 – The Board of Directors of Aurora took note of the resolutions passed today by the parent company Unipol relating to the start of the reorganization plan between Aurora and Unipol.

The transaction overall involves:

- the merger by incorporation of Aurora into Unipol;

and, prior to the merger:

- the voluntary public tender offer that Unipol will launch on all Aurora ordinary shares which are not already held by Unipol;
- the hive-down of Unipol insurance business into a new subsidiary to be incorporated, which Unipol will fully control; and
- the hive-down of Aurora insurance business into a new subsidiary to be incorporated, which Aurora will fully control.

The implementation of the plan is expected by July 2007 upon finalization of the merger between Unipol and Aurora.

The company resulting from this merger will maintain its status as company listed on the Italian Equity Market organized and managed by Borsa Italiana S.p.A..

The reorganization plan will allow the Unipol Group to adopt a structure fit to strengthen its own position in the domestic and European financial and insurance market, by way of adopting a simpler and more transparent organization model.

The Board of Directors of Aurora approved the outlines of the reorganization plan, postponing to a forthcoming meeting to be held by the end of January 2007 the approval – in detail – of the stages of the plan, namely (i) the expected range of the exchange ratio for the merger and (ii) the withdrawal price of Aurora shares being withdrawn.

The Merger

Based on the assessments carried out by its financial advisor and without prejudice to any subsequent resolutions to be passed by the forthcoming Board of Directors' meetings about the merger plan – Unipol set today the final exchange ratio for the merger in an expected range of 0.431-0.511 Unipol ordinary shares and 0.266-0.315 Unipol preference shares for each Aurora ordinary share.

In order to serve the exchange ratio, Unipol will issue ordinary and preference shares. Aurora Shareholders who will take part in the merger will be given a number of Unipol ordinary and preference shares, determined on the basis of the existing proportion between the two categories of shares in Unipol.

The Board of Directors of Aurora and Unipol – entrusted with laying down the merger plan – will set the final exchange ratio for the merger, which will be submitted to the independent expert who will assess its suitability pursuant to the applicable law.

The Offer

The voluntary public tender offer launched by Unipol will involve all the Aurora ordinary shares that Unipol does not hold.

The price of the public tender offer will be €2.45 for each Aurora ordinary share.

Unipol communicated that the public tender offer will be launched after completion of the procedures as prescribed by the applicable law.

Aurora will pronounce on the public tender offer according to the terms and conditions as provided for by the applicable rules.

The Hive-downs

Following the public tender offer and taking effect a legal moment prior to the date the merger will be effective (i) Aurora will contribute its whole insurance business into a new subsidiary to be incorporated fully controlled by Aurora itself and (ii) Unipol will contribute its whole insurance business into a new subsidiary to be incorporated fully controlled by Unipol itself, following amendment to Unipol's corporate purpose.

These hive-downs are subject to ISVAP's prior authorisation (Italy's regulatory authority for insurance companies). ISVAP shall authorise, *inter alia*, the new subsidiaries to be incorporated to carry out the insurance activities related to the insurance businesses of Unipol and Aurora hived-down, as well as the assignment to them of the insurance businesses of Unipol and Aurora respectively. Within the framework of the transaction, Covip's authorisation (Italy's regulatory authority for pension funds) is requested, too, for the management of open-ended pension funds carried out by Unipol and Aurora, pursuant to applicable rules.

In relation to Unipol hive-down, the Board of Directors of Unipol will submit to the Extraordinary Shareholders' Meeting the amendment to its corporate purpose. As a matter of fact, as a result of the hive-down, Unipol will stop exercising insurance activities direct and will become a holding for participating interests and services.

Unipol announced that its hive-down will be implemented only if the total withdrawal's consideration (and, therefore, the total amount that Unipol may be

required to pay in order to reimburse the withdrawal price of Unipol ordinary and preference shares being withdrawn) does not exceed the total amount of €100m.

Should Unipol hive-down be finalized, the corporate purpose of Unipol will be that of a holding for participating interests and services and the merger will imply for Aurora's shareholders an interest in a company having a considerably different corporate purpose.

Right of Withdrawal

In the context of the transaction (i) Unipol Shareholders who will not concur in the adoption of the resolution amending the corporate purpose pursuant to Unipol hive-down and (ii) Aurora Shareholders who will not concur in the adoption of the resolution approving the merger plan will be entitled to withdraw.

More specifically, in accordance with Article 2437 (1)(a) of the Italian Civil Code, Unipol Shareholders who will not concur in the adoption of the resolution amending the corporate purpose pursuant to Unipol hive-down will be entitled to withdraw, since Unipol will significantly change its corporate purpose. Unipol, furthermore, clarified that – following completion of the withdrawal procedure – in order to avoid incurring in costs inconsistent with its strategic and liquidity investment targets, the resolution amending Unipol's corporate purpose pursuant to Unipol hive-down is expected to take effect only if the total withdrawal's consideration (and, therefore, the total amount that Unipol may be required to pay in order to reimburse the withdrawal price of Unipol ordinary and preference shares being withdrawn) does not exceed the total amount of €100m. Therefore, the withdrawal notices sent by Unipol Shareholders will be effective only in case the total amount to pay to reimburse the shares being withdrawn does not exceed €100m. Unipol has the right to carry out the hive-down and the amendment to its corporate purpose also in case the reimbursement of all the shares being withdrawn exceeds the aforementioned amount of €100m.

In accordance with Article 2437 (1)(g) of the Italian Civil Code and – depending on the effectiveness of the amendment to Unipol's corporate purpose – also with Article 2437 (1)(a) of the Italian Civil Code, Aurora Shareholders who will not concur in the adoption of the resolution approving the merger plan, will be entitled to withdraw. As a matter of fact, Aurora Shareholders (i) will be given – as a result of the exchange – Unipol ordinary and preference shares and, hence, their voting and interests rights will be modified with regard to the Aurora ordinary shares they own to be exchanged with Unipol preference shares; (ii) should the amendment to Unipol's corporate purpose take effect, may become shareholders of a holding for participating interests and services, which carries out activities significantly different from those of Aurora.

Consequently, should Unipol's corporate purpose be amended, Aurora Shareholders who will not concur in the adoption of the resolution approving the merger plan will be entitled to exercise their right to withdraw up to all the shares they own. On the contrary, should Unipol's corporate purpose not be amended, Aurora Shareholders who will not concur in the adoption of the resolution approving the merger plan will be entitled to withdraw up to the number of Aurora shares to be exchanged with Unipol preference shares.



The withdrawal price of Aurora shares will be resolved upon by the Board of Directors of Aurora and will be properly communicated at least fifteen days prior to the date of the General Shareholders' Meeting called to approve the merger plan.

Timing of the transaction

The main stages of the integration plan are expected as follows:

- launch of the public tender offer by January 2007 and closing of the offer period and disclosure of the results in March 2007;
- approval by the Board of Directors of Unipol and Aurora of the merger plan between the half of March and the beginning of April 2007;
- approval of the merger by the competent body of Unipol by the end of April 2007;
- approval of the merger by the Extraordinary Shareholders' Meeting of Aurora by the end of May 2007;
- completion of the hive-downs and the merger by July 2007.

The Board of Directors of Unipol resolved today to convene the Extraordinary Shareholders' Meeting to resolve upon the amendment to the corporate purpose on 23, 24 and 27 April 2007 in first, second and third call respectively.

Further details and information on the transaction will be promptly disclosed to the market and to the supervisory authorities according to the applicable rules, following approval by the competent corporate bodies of Unipol and Aurora.

Aurora Assicurazioni S.p.A.

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