PRESS RELEASE

CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR TO 30 JUNE 2010 APPROVED

Combined Ratio 103.5%, improving from 108% at the end of 2009 and from 105% in the first quarter of 2010

Non-Life Income €2,068m for the half year, down 4.4% compared with the first half of 2009, as a result of more selective, planned underwriting policies

Life income €2,340m for the half year, with the second quarter of the year in line with the first quarter (-15.6% compared with the first half of 2009, which had benefited from a non-recurring spike in income)

Net pre-tax profit in the second quarter €58m (up compared with €24m in the first quarter). Result for the half year €82m (-23% compared with the first half of 2009)

Consolidated net profit €29m in the second quarter (compared with €1m in the first quarter). Positive result at the half-year point of €30m (-53% compared with the first half of 2009)

BOLOGNA, 5 August 2010 – Unipol Gruppo Finanziario's Board of Directors has today approved the consolidated financial statements for the half year ending 30 June 2010.

The second quarter of 2010 closed with a net pre-tax profit of €58m (up compared with €24m in the first quarter of 2010) and a net pre-tax profit for the half year of €82m (-23% compared with the first half of 2009). The consolidated net profit for the second quarter was €29m (compared with €1m for the first quarter of 2010) and at the half-year point was €30m (-53% compared with the first half of 2009).

"The results for the second quarter of 2010 are encouraging," declared the Chief Executive Officer, Carlo Cimbri, "and endorse the policies the Company adopted in 2010 under the 2010-2012 Business Plan. The Group is determined to recoup profitability in all areas of business, in line with the plan's strategic objectives."

The figures mentioned below do not include the contribution to profit or loss of the acquisition of the **Arca Group**, which was consolidated only as far as the assets and liabilities were concerned since the permits required by law were not received until just before the end of the half year.
Neither do the figures include the contribution of the **Capital Increase** of approximately €400m (nor the potential amount of approximately €100m in 2013 from the possible conversion of the warrants issued), which the UGF Group

successfully concluded in July 2010 with all the shares issued being subscribed without the underwriting syndicate having to intervene.

In **Non-Life Business** in particular work continued on improving profitability in technical business, which was reflected in a further reduction in the combined ratio[1], which was 103.5% compared with 105% for the first quarter of 2010 and 108% for the whole of 2009 (100% on 30/6/2009). There was improvement in all sectors, with the MV combined ratio falling to 104.1% (108.9% at the end of 2009) and the non-MV to 102.6% (106.7% at the end of 2009), and was partly the result of contracts with negative technical trends being terminated and of the initial effects of introducing a tariff policy more closely linked to the risks underwritten.
Income in the first half of 2010 (direct business) fell to €2,068m (-4.4%), €1,249m MV and €819m non-MV, in line with the more selective underwriting policies and the prudent underwriting of risks already introduced in 2009 and continued in the first few months of 2010.
However, mention should be made of the growth of UniSalute (+10.7%), which continued to focus on its specialist skills in health business.
Mention should also be made of the considerable fall compared with the first half of 2009 in the number of claims reported, excluding Health business, of 5.4%, whilst passive MV TPL claims alone fell by 10%.

Life income in the first half of 2010 amounted to €2,340m, with business in the second quarter of 2010 in line with the first (-15.6% compared with the first half of 2009, which had benefited from a non-recurring spike in BNL Vita income).
The Life In-Force Value[2] increased from €267m at 2009 year-end to €274m.
The New Business Value[2] for six months of new contracts was €27m (similar to the €29m on 30/6/2009), €21m of it relating to UGF Assicurazioni (+4.7%) and €12m to BNL Vita[3] (-29.5%). The margins on new Group business were 15.8%, up compared with 15.1% in the first half of 2009, thanks to the business quality of UGF Assicurazioni (margins of 21.5% for UGF Assicurazioni compared with 8.5% for BNL Vita).
It should be mentioned that **Pension Funds** continued to make inroads into this sector: the guaranteed subfund of the Cometa Pension Fund (the largest pension fund in Italy and one of the largest in Europe) was renewed during the half year (until 2020) and other mandates in the Fondo Gomma Plastica (rubber and plastics) and Arco (timber) were acquired. On 30 June 2010 the level of assets under management had thus risen to €2,193m (€1,789m on 30/6/2009).

In **Banking** the UGF Banca Group returned to profit and ended the first half of the year with €1.8m (compared with -€0.3m in the first half of 2009). Gross operating income in particular was up, to €167m (+2%), thanks to a high level of non-interest income (€63m, +40%), more than compensating for the drop in interest income (€104m, -12%), which was mainly due to the narrowing of the rate spread on the market.

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[1] Direct business combined ratio: sum of the loss ratio, which was 81.5%, and the expense ratio, which was 22%
[2] Assumptions for the figures to 30 June 2010, 31 December 2009 and 30 June 2009: assets yield rate 3.75%, discounting rate 6.25%, tax rate 32.32%.
[3] Calculated pro quota 51%.

There were no adjustments during the half year for deterioration in receivables and financial assets, which closed at €30m, in line with the first half of 2009.
Direct income, net of securitisation operations, amounted to €8.6bn (€8.7bn on 31/12/2009), with 'customer deposits' up 4.9%. Lending (net of securitisation operations) amounted to €7.4bn (+7.6% compared with the end of 2009).

The main aim of **Asset Management** was to be very selective when making investments and make sure they were as diverse as possible, in line with the trend in liabilities to policyholders. There were no significant variations in either the quantity or the quality of the bond portfolio, excluding the assets of the Arca Group. Risks in the equities sector were reduced both by reducing risk exposure from 8.7% of the portfolio at the end of 2009 to 6.4% on 30 June 2010 and by keeping the beta coefficient down (the portfolio's sensitivity to the index). On 30 June 2010 insurance investments managed by the Group[4] amounted to €23.6bn (€26.6bn including the Arca Group) and income from financial investments to €512m, with average profitability exceeding 4% year on year (3.80% in the first half of 2009) despite the €68m impairment of equities (as a result of the strict policy adopted by the Group).

As a result of the business performance described above the UGF Group's **pre-tax profit** amounted to €82m, a significant improvement compared with €24m in the first quarter of 2010. Overall the variation in the pre-tax result compared with the first half of 2009 was -23%. The **consolidated net profit**, which was affected by a particularly high tax rate at 63% (including €2.4m of taxation resulting from new legislation on the deductibility of variations in Life technical provisions), was €30m (-52% compared with the first half of 2009) and the **net profit attributable to the Group** was €3m (€57m on 30/6/2009).

The result of the **statement of comprehensive income**, which was affected by the €198m fall in the AFS reserve attributable to the Group, showed a loss of €201m (+€133m on 30/6/2009). However, it should be noted that in the last few days of the period there was an improvement in the market, which brought the AFS reserve almost up to what it had been at the end of 2009, and this had a favourable effect on the comprehensive profit.

Group equity amounted to €3,268m on 30 June 2010 (€3,585m at the end of 2009) after approximately €100m of dividends had been distributed. If the amounts for the recent capital increase and the recovery of the AFS reserve were included the proforma figure at the end of July 2010 would have been more than €3,800m and the **solvency margin** would have been 1.4 times the statutory minimum, both according to Solvency I and Solvency II.

Business outlook

Measures taken during the year as part of the process of drawing up the Business Plan are beginning to show positive results. All the individual companies in the Group, which were recently joined by the Arca Group, are strongly focused on a return to profitability and the pursuit of the other objectives contained in the Plan. Since the end of the half year financial markets have shown interesting signs of an upturn

[4] excluding Class D

which, if confirmed, may have a positive effect on the Group's economic performance and capital adequacy.
In the light of these considerations, and provided there are no extraordinary events, there is expected to be a return to a consolidated profit in the current year in line with the objectives contained in the Business Plan.

The consolidated financial statements for the half year to 30 June 2010 will be available to the public at the registered office at Via Stalingrado 45, Bologna, and from Borsa Italiana S.p.A. by 29 August 2010. The report will be also available on the Company's website, www.unipolgf.it.

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Unipol Gruppo Finanziario's results for the first half of 2010 will be presented to the financial community at 6pm today by means of a webcast (on www.unipolgf.it) and conference calls. The telephone numbers to ring if you wish participate are 02 805 88 11 (within Italy), +1 718 705 8794 (from the USA) and +44 203 147 4796 (from other countries). Other technical details on how to gain access to the event are available on the home page and the Investor Relations page of www.unipolgf.it.

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In accordance with Article 154-bis, para. 2, of the Consolidated Finance Act the Manager in charge of financial reporting, Maurizio Castellina, declares that the accounting information reported in this press release corresponds to the figures in the documents, books and accounting records.

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The Consolidated Statement of Financial Position and the Consolidated Income Statement are attached.

GLOSSARY

- ratio between operating expenses and premiums
- ratio between claims and premiums
- loss ratio + expense ratio
- ratio between new business value and APE
- APE: Annual Premium Equivalent, sum of the annual and recurring premiums + a tenth of the single premiums
- In-Force Value: value of the existing Life portfolio
- AFS Reserve: reserve for profits or losses on financial assets available for sale
- ratio between tax and pre-tax profit
- Statement of Comprehensive Income: the value obtained by adding to the profit/loss for the year the charges and income recorded direct in the equity for operations other than those carried out with shareholders, for instance AFS reserves.

Contacts

External Relations
Carla Chiari
Unipol Gruppo Finanziario
Tel +39 02 51815021/3387207314
carla.chiari@unipolgf.it

Relations with Institutional Investors
Adriano Donati
Unipol Gruppo Finanziario
Tel +39 051 507 7933
investor.relations@unipolgf.it

Ad Hoc Communication Advisors
Paolo Mazzoni
Tel +39 335 1415590
paolo.mazzoni@ahca.it

Consolidated Income Statement

Amounts in €m

		30/6/2010	30/6/2009
1.1	Net premiums	4,360.2	4,880.9
1.1.1	*Gross premiums*	*4,422.6*	*4,946.9*
1.1.2	*Ceded premiums*	*-62.4*	*-66.0*
1.2	Commission income	64.9	47.9
1.3	Gains and losses on remeasurement of financial instruments at fair value through profit or loss	-98.9	177.2
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	0.4	1.9
1.5	Gains on other financial instruments and investment property	951.3	700.4
1.5.1	*Interest income*	*555.6*	*541.7*
1.5.2	*Other gains*	*65.1*	*71.4*
1.5.3	*Realised gains*	*240.7*	*85.4*
1.5.4	*Fair value gains*	*89.8*	*1.8*
1.6	Other income	82.3	65.2
1	TOTAL REVENUE	5,360.2	5,873.4
2.1	Net charges relating to claims	4,231.3	4,789.8
2.1.1	*Amounts paid and changes in technical provisions*	*4,252.5*	*4,824.3*
2.1.2	*Reinsurers' share*	*-21.2*	*-34.5*
2.2	Commission expense	15.3	11.9
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	0.2	0.1
2.4	Losses on other financial instruments and investment property	265.0	189.3
2.4.1	*Interest expense*	*103.6*	*109.9*
2.4.2	*Other expense*	*6.5*	*5.6*
2.4.3	*Realised losses*	*57.8*	*36.9*
2.4.4	*Fair value losses*	*97.0*	*36.8*
2.5	Operating expenses	663.7	681.5
2.5.1	*Commissions and other acquisition costs*	*421.7*	*432.7*
2.5.2	*Investment management expenses*	*7.7*	*21.6*
2.5.3	*Other administrative expenses*	*234.4*	*227.1*
2.6	Other costs	102.4	94.5
2	TOTAL COSTS AND EXPENSES	5,278.0	5,767.1
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	82.3	106.4
3	Income tax	51.8	43.0
	POST-TAX PROFIT (LOSS) FOR THE YEAR	30.4	63.4
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	0.0	0.0
	CONSOLIDATED PROFIT (LOSS)	30.4	63.4
	attributable to the owners of the Parent	2.8	56.8
	attributable to non-controlling interests	27.7	6.6

Statement of Comprehensive Income - Net Amounts

Amounts in €m

	30/6/2010	30/6/2009
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	30.4	63.4
Variations in translation reserves		
Gains or losses on available-for-sale financial assets	-207.4	74.4
Gains or losses on cash flow hedge	-24.0	-4.8
Other items		
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR	-231.4	69.6
TOTAL CONSOLIDATED COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR	-200.9	133.0
attributable to the owners of the Parent	*-218.7*	*97.8*
attributable to non-contrlling interests	*17.7*	*35.2*

Consolidated Income Statement by Business Sector

Amounts in €m

	Non-Life business		Life business		Insurance business		Banking business		Holding and Services		Intersectorial eliminations		TOTAL CONSOLIDATED	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009	30/06/2010	30/06/2009	30/06/2010	30/06/2009	30/06/2010	30/06/2009	30/06/2010	30/06/2009	30/06/2010	30/06/2009
Net premiums	2,035	2,125	2,326	2,756	4,360	4,881							4,360	4,881
Net income from commissions	0	0	1	1	1	1	56	38			-8	-3	50	36
Financial income/charges (eccl.assets/liab. at fair value)	100	112	440	304	539	416	83	97	137	8	-144	-17	615	504
Net interests	*72*	*59*	*297*	*267*	*369*	*327*	*106*	*118*	*-13*	*-6*			*462*	*439*
Other income and charges	*23*	*42*	*29*	*15*	*52*	*57*	*1*	*1*	*141*	*15*	*-144*	*-17*	*50*	*56*
Realised gains and losses	*13*	*6*	*126*	*12*	*139*	*18*	*5*	*8*	*9*	*-1*			*153*	*24*
Faiv value gains and losses (excl. impairment on AFS equities)	*-8*	*5*	*-13*	*10*	*-22*	*15*	*-28*	*-30*		*0*			*-50*	*-15*
Impairment on AFS equities	*-26*	*0*	*-40*	*-2*	*-66*	*-2*	*-3*						*-68*	*-2*
Net charges relating to claims	-1,685	-1,680	-2,506	-2,921	-4,191	-4,601							-4,191	-4,601
Operating expenses	-450	-479	-69	-57	-519	-536	-130	-127	-41	-59	27	40	-664	-681
Commissions and other acquisition costs	*-381*	*-399*	*-43*	*-33*	-424	-433					3	0	-422	-433
Other costs	*-69*	*-79*	*-26*	*-24*	-95	-103	*-130*	*-127*	*-41*	*-59*	24	40	-242	-249
Other income and charges	-10	-17	-21	-17	-31	-34	3	1	23	40	-15	-36	-20	-29
Pre-tax profit (loss)	-36	61	131	64	95	125	10	8	118	-11	-140	-15	82	106
Income tax													-52	-43
Consolidated profit (loss)													30	63
attributable to the owners of the Parent													*3*	*57*
attributable to non-controlling interests													*28*	*7*
Other comprehensive income													-231	70
Total consolidated comprehensive income													-201	133
attributable to the owners of the Parent													*-219*	*98*
attributable to non-controlling interests													*18*	*35*

Consolidated Statement of Financial Position

Amounts in €m

	ASSETS	30/6/2010	31/12/2009		EQUITY AND LIABILITIES	30/6/2010	31/12/2009
1	INTANGIBLE ASSETS	2,098.3	1,916.6	1	EQUITY	3,633.9	3,826.2
1.1	Goodwill	2,003.3	1,853.0	1.1	attributable to the owners of the Parent	3,268.0	3,585.3
1.2	Other intangible assets	95.0	63.6	1.1.1	Share capital	2,391.4	2,391.4
2	PROPERTY, PLANT AND EQUIPMENT	617.6	595.8	1.1.2	Other equity instruments	0.0	0.0
2.1	Property	571.2	544.3	1.1.3	Equity-related reserves	1,419.6	1,419.6
2.2	Other property, plant and equipment	46.4	51.5	1.1.4	Income-related and other reserves	58.5	929.1
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	503.3	457.1	1.1.5	(Treasury shares)	-0.2	-0.1
4	INVESTMENTS	44,140.2	39,765.0	1.1.6	Translation reserve	0.0	0.0
4.1	Investment property	197.7	196.8	1.1.7	Gains or losses on available-for-sale financial assets	-590.8	-393.4
4.2	Investments in subsidiaries, associates and interests in joint ventures	43.4	43.8	1.1.8	Other gains or losses recognised directly in the equity	-13.3	10.7
4.3	Held-to-maturity investments	1,759.1	1,779.7	1.1.9	Profit (loss) for the year attributable to the owners of the Parent	2.8	-771.9
4.4	Loans and receivables	15,098.7	14,785.8	1.2	attributable to non-controlling interests	366.0	240.9
4.5	Available-for-sale financial assets	18,659.5	15,313.8	1.2.1	Share capital and reserves attributable to non-controlling interests	350.7	240.0
4.6	Financial assets at fair value through profit or loss	8,381.8	7,645.1	1.2.2	Gains or losses recognised directly in the equity	-12.4	-2.5
5	SUNDRY RECEIVABLES	1,724.3	1,803.2	1.2.3	Profit (loss) for the year attributable to non-controlling interests	27.7	3.3
5.1	Receivables relating to direct insurance business	825.1	1,018.9	2	PROVISIONS	86.5	101.1
5.2	Receivables relating to reinsurance business	63.8	74.6	3	TECHNICAL PROVISIONS	32,019.2	28,286.4
5.3	Other receivables	835.4	709.6	4	FINANCIAL LIABILITIES	13,449.9	12,198.4
6	OTHER ASSETS	1,154.9	901.7	4.1	Financial liabilities at fair value through profit or loss	2,827.0	2,104.5
6.1	Non-currents assets or assets of a a disposal group held for sale	0.0	0.4	4.2	Other financial liabilities	10,623.0	10,093.9
6.2	Deferred acquisition costs	23.8	26.3	5	PAYABLES	478.3	415.2
6.3	Deferred tax assets	637.7	549.1	5.1	Payables arising from diret insurance business	73.4	55.4
6.4	Current tax assets	51.8	85.5	5.2	Payables arising from reinsurance business	54.6	22.5
6.5	Other assets	441.5	240.4	5.3	Other payables	350.4	337.3
7	CASH AND CASH EQUIVALENTS	581.0	221.5	6	OTHER LIABILITIES	1,151.8	833.4
				6.1	Liabilities associated with disposal groups	0.0	0.0
				6.2	Deferred tax liabilities	286.0	204.7
				6.3	Current tax liabilities	34.7	116.9
				6.4	Other liabilities	831.0	511.9
	TOTAL ASSETS	50,819.7	45,660.8		TOTAL EQUITY AND LIABILITIES	50,819.7	45,660.8