

PRESS RELEASE

THE BOARD OF DIRECTORS OF CATTOLICA RESOLVES UPON THE FINAL CONDITIONS OF THE SHARE CAPITAL INCREASE

Verona, November 6th 2014. The Board of Directors of Cattolica Assicurazioni (the “Company” or the “Issuer”), which met today, in execution of the mandate granted by the extraordinary General Meeting of 30 April 2011 and according to the resolutions taken by the same Board of Directors on 18 September 2014, has resolved the issue of a maximum of 117,500,880 shares with par value of € 3.00 each and regular entitlement (“Share Capital Increase”), to be offered under option to the Issuer’s shareholders at the **unit price of € 4.25** (of which € 1.25 as share premium), for a **total amount** equal to € 499,378,740 (of which € 352,502,640 to be allocated to share capital and € 146,876,100 to be allocated to share premium). The new issued shares will be offered with an **option ratio** of 21 new ordinary shares for every 10 shares held (the “New Shares”).

The Share Capital Increase is part of the initiatives of Cattolica’s **2014 – 2017 Business Plan**, aiming at supporting business growth, at funding industrial transformation and investments in innovation and technology and at seizing any opportunities for acquisition or partnership, according to what has been announced by the Company on 19 September 2014.

The **issue price** of the New Shares was determined by the Board of Directors by taking into account, among other things, the general market conditions at the moment of the effective launch of the operation, the trend in share prices of the ordinary shares of the Issuer, the economic, capital, financial and perspective performance and the profits of Cattolica and of its Group, as well as market practices for similar operations, and by applying a **discount of 37.01%** on the Theoretical Ex Right Price – TERP of Cattolica’s ordinary shares calculated on the basis of the Milan Stock Exchange closing price of 6 November 2014, equal to € 11.99.

Subject to the release by Consob of its decision to approve the Prospectus (“Consob’s Authorisation”) and the release by IVASS of the approval of the amendments to the Bylaws consequent to the Share Capital Increase (“IVASS’ Authorisation”), the rights will have to be exercised, under penalty of forfeiture, in the period between 10 November 2014 and 27 November 2014 (both inclusive) (the “Offer Period”) and can be traded on the MTA from 10 November 2014 to 21 November 2014 (both inclusive).

Within the month subsequent to the end of the Offer Period, the company shall offer in the Stock Exchange the eventual unexercised rights by 27 November 2014 pursuant to Article 2441, paragraph 3 of the Italian Civil Code, in compliance with laws and

regulations in force, in accordance with terms and conditions that will be communicated to the market at a later time.

The above mentioned resolution of the Board of Directors will be executable only after the release of Consob's Authorisation and of IVASS' Authorisation and provided that the Offer Period begins on 10 November 2014 and that **the underwriting agreement** (in accordance with the *pre-underwriting* agreement signed on 18 September 2014 by Banca IMI S.p.A. as Global Coordinator and Joint Bookrunner and by Mediobanca - Banca di Credito Finanziario S.p.A. as *Co-Global Coordinator* and *Joint Bookrunner*) is concluded by the above mentioned banks, also in the name and on behalf of other guarantors participating in the guarantee syndicate, in due time by 7 November 2014.

The prospectus will be published in accordance with the law and will be made available at Cattolica's registered office, as well as on the Company's web site (www.cattolica.it). The Company will give adequate notice of the publication of the prospectus and of its availability to the public, in compliance with and under the term of the existing laws and regulations and through the publication of a notice.

Upon request of the Supervisory Authority, the Company has included in the prospectus some figures regarding the **third quarter of 2014** and for the purposes of their inclusion in such document, they have been brought today to the attention of the Board of Directors, in advance compared to the approval of the Interim Management Report as of 30 September 2014, scheduled for 12 November 2014.

In particular, with reference to the third quarter which ended on 30 September 2014:

- **Gross premiums written of the insurance sector in Non-life business¹**, as of 30 September 2014, on a like-for-like basis, are equal to about € 1.2 billion (-2.7% when compared with 30 September 2013). The decrease with respect to the previous year is consistent with what has already been indicated as of 30 June 2014 (-3.5% compared with 30 June 2013) and is a consequence of the contraction of the average Motor-TPL premium due to the growing market competition and to the weakness of the demand in connection with the general economic situation;
- with regard to **total Life business premiums written of the insurance sector²**, the increasing trend already noticed at 30 June 2014 is confirmed (+50.5% compared to 30 June 2013): as of 30 September 2014, an amount of about € 2.9 billion is envisaged (+ 46% compared to 30 September 2013) resulting in a still positive inflow, net of amounts paid, with a consequent increase of total technical provisions;
- the **combined ratio³**, as at 30 September 2014, based on the same scope of consolidation, is equal to 91.5%, constant with respect to 30 June 2014; the combined ratio of the Group as at 30 September 2014, including FATA's result for the third quarter 2014, is approximately 92%;
- the **solvency margin** of the Group as at 30 September 2014 remains unchanged compared to 30 June 2014 (equal to 145% of the regulatory solvency margin).

As of today, the above figures have not been audited.

¹ Direct business premiums.

² Includes insurance premiums and investment contracts of life classes as defined in IFRS 4.

³ Combined ratio of retained business: 1-(Technical balance/net premiums), including other technical items.

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The present press release is available on the Company's web site: www.cattolica.it

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