Press release

Fondiaria-SAI: Sainternational S. A. launches six year bond issue for approx. EUR 180,000,000, mandatorily exchangeable into and redeemable by Banca Intesa S.p.A. ordinary shares

Milan, 27 September 2004 – Fondiaria-SAI S.p.A. hereby gives notice that Sainternational S.A. a company based in Luxembourg and wholly owned by Fondiaria SAI S.p.A., has launched a mandatory exchangeable bond issue with maturity 29 September 2010, for an amount of approx. EUR 180,000,000 including an over-allotment option of up to approx. EUR 16.0m, guaranteed by Fondiaria-SAI S.p.A.

The bonds shall be redeemable at maturity by exchange into ordinary Banca Intesa S.p.A. shares already in issue, i.e. up to a maximum of 44 million such shares currently owned by Fondiaria-SAI, of which up to 4 million shall be reserved for exercise of the over-allotment option. Fondiaria-SAI shall continue to own voting rights over the Banca Intesa shares during the entire life of the bond issue.
The Bonds shall have an annual coupon, and a yield at maturity in a range between 5.40% and 6.65%. The exchange premium at maturity shall be between 31% and 38%. The final terms and conditions for the bonds shall be announced after bookbuilding and pricing.
Fondiaria-SAI and Sainternational have granted a lock-up period of 90 days in respect of the Intesa shares.
An application has been made for the bonds to be listed on the Luxembourg Stock Exchange.
The bonds will also be rated by Standard & Poor's.
Mediobanca is acting as sole bookrunner on the issue.
Ashurst is acting as legal advisor to the Issuer, and Studio Chiomenti and Skadden Arps are advising the sole bookrunner.
The bonds shall be placed exclusively with institutional investors outside the United States, in accordance with Regulation S as defined in the US Securities Act of 1933 as subsequently amended ("Regulation S").