



Vittoria Assicurazioni

PRESS RELEASE

2009 Third Quarter's Results

Group consolidated results

- Net profit: € 9.9 million (-53.6%)
- Net equity: € 349.5 million (+4.7%)
- Total comprehensive income ¹: € 26.8 million (+110.6%)
- Total insurance volumes: € 456.7 million (+2.8%)
 - Direct Life premiums: € 81.7 million (+1.6%)
 - Direct Non-life premiums: € 372.8 million (+3.5%)
- Retained Non-life Loss Ratio: 74.6% (71.4% at 30/9/2008)
- Retained Non-life Combined Ratio: 99.8% (97.7% at 30/9/2008)

Early repayment of the convertible bond loan

- Repayment of the Vittoria Assicurazioni S.p.A. Fixed/Floater 2001-2016 convertible bond loan is scheduled on 1/1/2011, provided that the ISVAP authorization is obtained.

Consolidated Results

The Board of Directors of Vittoria Assicurazioni, which met today in Milan to review the 2009 Third Quarter results, has approved the Consolidated Quarterly Report.

Reported results as at 30 September 2009 show a Group net profit of € 9.9 million vs. € 21.4 million for the same period in 2008.

The Group's comprehensive income¹ statement as at 30 September 2009 shows a profit of € 26.8 million (€ 12.8 million at 30 September 2008 and € 17.6 million at 31 December 2008).

The Group Net Equity amounts to € 349.5 million, increasing vs. the amount of € 333.8 million reported at 31 December 2008 (+4.7%).

Total insurance volumes as at 30 September 2009 amount to € 456.7 million (+2.8% vs. revenues of € 444.3 million for the 2008 third quarter).

Life premium, which exclude policies classified as financial instruments, report an increase of 1.6% vs the same period of the last year.

Direct Non-Life premium amount to € 372.8 million, reporting a 3.5% year-on-year increase and in particular:

- Motor premium amount to € 272.1 million, increasing by 5.3%;

¹ Net income which includes income items recognised in the net equity

- Non-Marine premium amount to €91.4 million, down by 1.2%;
- Specialty premium totalled €9.2 million, increasing by 1.9%.

Overhead costs as a percentage of total direct premium were 10.6% (vs. 10.9% in the 2008 third quarter).

The combined ratio² and the retained loss ratio³ of the Non-Life business, as of 30 September 2009, amount to 99.8% and 74.6% respectively (Italian Accounting Principles). Motor lines of business have shown an increase in the loss frequency in addition to a worsening of the technical result which facts require the set-up of appropriate pricing actions.

The Non-Marine premium growth, resulting from the satisfactory increase of the sales outlets (+8.1%) has been offset by the volumes' decrease in the Credit Protection line (C.P.I.) of business (-59.5%), due to a selective underwriting policy undertaken in light of the persistent crisis.

The prudent approach adopted in this respect has negatively impacted also on the C.P.I. related life premium growth which showed a decrease of 40.3% vs. an increase of 28.9% in the life business conveyed through the agents' network.

Total investments of € 2,078.2 million (+6.0% vs. 31 December 2008) include € 78.6 million (+12.2%) of investments with risk borne by policyholders and € 1,999.6 million (+5.8%) of investments with risk borne by the Group.

Net income from investments with risk borne by the Group amounted to €36,870 thousand vs. €42,132 thousand in the previous period (-12.5%).

The volatility arising from the current financial markets confirms the effectiveness of the low risk financial approach applied by the Group, which aims at generating stable results over the years.

Notwithstanding the uncertainties resulting from the current economic environment, confident on the capital solidity of the Group and on the accomplishment of the investments plans which took place (set-up of 30 new agencies and 66 sub-agencies in the last 12 months), the Group deems it appropriate to confirm all development plans underway, in the awareness that forecast result will positively impact the Consolidated Financial Statements over a longer period of time. Furthermore the Group confirms its intent to maintain the Parent Company dividend policy.

As at 30 September 2009, the Parent Company's reported net profit (as per Italian GAAPs) amounts to €16.3 million (€33.4 million for the same period of 2008).

² (Claims for the period + operating costs + amortisation of intangible assets + technical items) / premiums for the period

³ Claims for the period / retained premiums for the period

Vittoria Assicurazioni S.p.A. Fixed/Floater 2001/2016 subordinated bond issue convertible into ordinary shares

As at 30 October 2009 the period to convert the Vittoria Assicurazioni -fixed floater 2001/2016, was closed. Further to the conversions requested for the bond loan, the share capital amounts to € 65,788,948 as at 30 October 2009. The residual bonds in circulation are 855,526 , for a nominal value of € 4,106,524.80.

Today, the Board of Directors resolved to exercise the option set forth by Article 9.2 of the Regulation of the bond issue to make an early repayment on 1/1/2011, subject to authorisation obtained by ISVAP.

The Corporate Financial Reporting Manager of Vittoria Assicurazioni S.p.A., Mario Ravasio, herewith declares, pursuant to paragraph 2, Article 154/2 of the Italian Consolidated Finance Act (Testo Unico della Finanza), that the accounting disclosure contained in this press release matches documentary evidence, corporate books, and accounting records.

Milan, 12 November 2009

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Attachment: Consolidated income statement

About Vittoria Assicurazioni

Vittoria Assicurazioni is an independent insurance company, founded in Milan in 1921. The company is active in all life and non-life lines, covering the whole of Italy via an extensive commercial network featuring over 270 agencies, 440 sub-agencies and agreements with over 240 bank branches. Vittoria's mission is to be the elective insurer of families and small and medium enterprises.

INCOME (LOSS) STATEMENT

(€000)

		30/9/09	30/9/08	31/12/08	3Q09	3Q08
1.1	Net premiums	447,155	426,900	578,884	155,548	132,831
1.1.1	Gross premiums	461,724	442,895	612,086	160,103	138,482
1.1.2	Ceded premiums	14,569	15,995	33,202	4,555	5,651
1.2	Commission income	579	767	1,146	225	199
1.3	Gains or losses on remeasurement of financial instruments at fair value through profit or loss	416	-416	-43	293	-85
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	1,030	10,230	9,022	39	5,274
1.5	Gains on other financial instruments and investment property	37,757	46,990	46,990	46,990	46,990
1.5.1	Interest income	37,460	44,998	60,162	12,317	15,302
1.5.2	Other income	206	304	1,063	68	78
1.5.3	Realised gains	89	309	1,335	7	0
1.5.4	Unrealised gains	2	7	4	1	2
1.6	Other income	9,282	12,696	15,609	1,284	3,794
1	TOTAL REVENUE	496,219	573,576	573,576	573,576	573,576
2.1	Net charges relating to claims	353,787	375,909	375,909	375,909	375,909
2.1.1	Amounts paid and change in technical reserves	376,928	330,862	466,058	130,504	106,510
2.1.2	Reinsurers' share	-23,141	-8,313	-21,496	-4,771	-5,584
2.2	Commission expense	110	265	197	37	46
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	2,525	260	2,978	648	-84
2.4	Losses on other financial instruments and investment property	4,046	17,542	22,951	1,560	5,701
2.4.1	Interest expense	3,949	6,438	7,696	1,560	2,420
2.4.2	Other expense	0	0	0	0	0
2.4.3	Realised losses	97	0	221	0	0
2.4.4	Unrealised losses	0	11,104	15,034	0	3,281
2.5	Operating costs	106,512	110,994	151,860	32,483	33,871
2.5.1	Commissions and other acquisition costs	86,748	89,464	122,112	26,630	27,103
2.5.2	Investment management costs	605	626	873	195	188
2.5.3	Other administrative costs	19,159	20,904	28,875	5,658	6,580
2.6	Other costs	12,595	7,816	9,479	5,870	2,045
2	TOTAL COSTS	479,575	521,707	521,707	521,707	521,707
	PROFIT FOR THE YEAR BEFORE TAXATION	16,644	51,869	51,869	51,869	51,869
3	Income taxes	7,340	15,318	15,075	2,075	4,574
	PROFIT FOR THE YEAR	9,304	36,525	36,525	36,525	36,525
4	GAIN (LOSS) ON DISCONTINUED OPERATIONS	0	0	0	0	0
	CONSOLIDATED PROFIT (LOSS)	9,304	36,525	36,525	36,525	36,525
	of which attributable to the shareholders of the parent	9,928	21,388	20,170	1,735	10,361
	of which attributable to minority interests	-624	-337	-90	-359	-45
	Basic EARNINGS per share	0.15	0.33	0.31	0.03	0.16
	Diluted EARNINGS per share	0.15	0.32	0.30	0.03	0.15

COMPREHENSIVE INCOME (LOSS) STATEMENT

	30/09/2009	30/09/2008	31/12/2008	3Q09	3Q08
CONSOLIDATED PROFIT (LOSS)	9,304	21,051	20,080	1,376	10,316
OTHER COMPREHENSIVE INCOME (LOSS)					
Translation reserve	-23	-28	-802	376	-40
Fair value reserve	21,001	-9,780	426	12,389	8,423
Hedging reserve	0	0	0	0	0
Gains or losses on hedging instruments of net investment in foreign operations	0	0	0	0	0
Reserve for changes in the equity of investees	76	-51	-113	0	-11
Intangible asset revaluation reserve	0	0	0	0	0
Property, plant and equipment revaluation reserve	0	0	0	0	0
Gains or losses on non-current assets or assets of a disposal group classified as held for sale	0	0	0	0	0
Other reserves	0	0	0	0	0
Income tax benefit (expense) on the above differences	-4,174	1,198	-2,032	-2,312	-2,430
OTHER COMPREHENSIVE INCOME (LOSS) NET OF TAX	16,880	-8,661	-2,521	10,453	5,942
COMPREHENSIVE INCOME (LOSS)	26,184	12,390	17,559	11,829	16,258
of which attributable to the shareholders of the parent	26,808	12,727	17,649	12,188	16,303
of which attributable to minority interests	-624	-337	-90	-359	-45