



Vittoria Assicurazioni

(Translation from the Italian original which remains the definitive version)

PRESS RELEASE

2006 results

Consolidated financial statements (IFRS)

- Profit attributable to the shareholders of the parent: Euro 35.4 million (-11.4%)
- ROE: 17.8% (24.2% in 2005)
- Total premiums written: Euro 587.5 million (+6.6%)

Financial statements of the parent Vittoria Assicurazioni S.p.A. (Italian GAAP)

- Net profit: Euro 27.4 million (+35.0%)
- ROE: 17.2% (14.5% in 2005)
- Premiums: Euro 587.5 million (+6.6%)
- Non-life business loss ratio: 68.7% (67.2% in 2005)
- Non-life business combined ratio: 98.1% (97.8% in 2005)
- Proposed dividend: Euro 0.16 euro per share (Euro 0.15 in 2005)

The board of directors of Vittoria Assicurazioni, chaired by Mr. Luigi Guatri, met today to discuss the results for 2006.

Like in the previous thirteen years, the board will propose that the shareholders approve a dividend increase through the distribution of Euro 0.16 to each share (previous year: Euro 0.15). Such dividend will be available from 17 May 2007, with coupon detachment on 14 May 2007.

Consolidated financial statements (IFRS)

The consolidated profit decreased 11.4% on 2005 from Euro 40.0 million to Euro 35.4 million, equal to a ROE¹ of 17.8% (24.2% in 2005). The private equity transactions carried out by the Dutch and Luxembourg associates contributed Euro 8.1 million to improvement in the insurance performance. However, this was accompanied by a decline in the real estate sector's performance due to the different nature of business currently underway, prevalently concerning development and promotion operations (i.e. with a medium / long-term horizon) rather than trading (with a short-term horizon). This means that related income will emerge later, over a longer time span.

¹ ROE calculated on equity net of reserves for gains directly recognised in equity

Total revenue totalled Euro 587.5 million in 2006, up 6.6% over the Euro 551.2 million recorded in 2005. It comprises insurance premiums (Euro 570.8 million) and index-linked and unit-linked investment contracts and the Vittoria Formula Lavoro open pension fund (Euro 16.7 million).

Direct life business premiums rose 1.5% over the previous year to Euro 115.0 million. Premiums relating to investment contracts (life policies of a financial nature) increased 272.6% from Euro 4.5 million to Euro 16.7 million, thanks to the productive collaboration of the agency network and good returns on the products sold.

Direct non-life business premiums went up 5.1% to Euro 454.64 million.

Premiums of the motor business increased 3.3%. In particular, the motor property damage line of business rose 3.7%, which was achieved thanks to both ongoing commercial agreements and those signed during the year. The third party motor liability line of business saw an increase of 5.7% in insured vehicle/year, with a rise in premiums of 3.0%. This rise in premiums, which is also a consequence of the particular care dedicated to the affinity groups and the further strengthening of the commercial organisation through the opening of new points of sale, was accompanied by an improvement of 7.8% in the frequency of claims.

Premiums of other non-life lines of business grew 9.8% to Euro 130.8 million.

Equity attributable to the shareholders of the parent amounts to Euro 226.3 million, up 11.1%.

Consolidated investments totalled Euro 1,710.2 million (+14.7%). They are split between investments of Euro 116.0 million where policyholders bear the risk (-5.5%) and investments of Euro 1,594.1 million where the group bears the risk (+16.6%).

Net gains on investments where the group bears the risk decreased 20.6% from Euro 96.5 million in the previous year to Euro 76.6 million.

Profit from the real estate business, gross of taxes and intersegment eliminations, totalled Euro 8.6 million (2005: Euro 45.7 million). The main income statement items contributing to this result, gross of intragroup eliminations, comprise:

- gains on property for trading (Euro 15.4 million) and development activities (Euro 0.4 million) totalling Euro 15.9 million;
- revenue on real estate brokerage and management services (Euro 4.1 million) and rent income (Euro 1.1 million).

The net financial indebtedness of the real estate business amounted to Euro 48.9 million increasing by Euro 32.8 million over the previous year as a result of new development initiatives.

Financial statements of the parent Vittoria Assicurazioni S.p.A. (Italian GAAP)

The net profit of Vittoria Assicurazioni S.p.A. – under Italian GAAP - totalled Euro 27.4 million, up 35.0% on the Euro 20.3 million recorded in 2005), equal to a ROE of 17.2% (14.5% in 2005).

Total premiums written rose 6.6% to Euro 587.5 million.

Life business managed assets increased by 5.9% to Euro 793.6 million.

The non-life business loss ratio² and combined ratio³ relating to retained insurance, amounted to 68.7% and 98.1%, respectively (67.2% and 97.8%, respectively, in the previous year).

Overheads decreased from 9.3% to 9.1% of total premiums.

The parent's shareholders' equity increased by 17.0% to Euro 173.1 million.

Adoption of the Code of Conduct for Listed Companies

The Board of Directors has decided to adopt the new edition of the Code of Conduct for Listed Companies. The timeframes and methods of the adoption are described in the corporate governance report that will be presented to the shareholders at the Annual General Meeting.

Calling of the shareholders' and bondholders' meetings

The shareholders of Vittoria Assicurazioni S.p.A. are called for an ordinary meeting to be held, on first call, at the Palazzo Affari ai Giureconsulti, in piazza Mercanti 2, Milan, on Friday 29 April 2007 at 10.30 am, and, if necessary, on second call on Saturday 28 April 2007, at the same place and time, in order to approve the financial statements and appoint new boards of directors and statutory auditors.

The bondholders' meeting will be held at the registered offices of the company in Via Caldera 21, Milan, on Monday 16 April 2007 at 3.30 pm on first call and, if necessary, on second call on Tuesday 17 April 2007, at the same place and time, in order to appoint the representative of the holders of the "Vittoria Assicurazioni S.p.A. Fixed/Floater 2001/2016 subordinated bonds convertible into ordinary shares".

Milan, 22 March 2007

² claims for the year / premiums for the year relating to retained insurance

³ (claims for the year + operating costs + amortisation of intangible assets + technical captions) / premiums for the year relating to retained insurance

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Annexes: Consolidated and reclassified separate balance sheets, income statements and cash flow statements, still subject to audit by the independent auditors and the statutory auditors

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 entire Italian territory through an extensive commercial network based on over 230 Agencies, 320 Sub Agencies and agreements with over 240 bank branches.

Vittoria's mission is to be the families and small and medium firms insurer.

Vittoria Assicurazioni S.p.A.

Reclassified balance sheet

(in thousands of Euros)

ASSETS	2,006	2,005
Investments		
Land and buildings	8,166	8,414
Investments in group and other companies		
- Equity investments	216,957	135,324
- Loans	-	3,688
Other financial investments:		
- Unit trust units	7,205	7,952
- Bonds and other fixed-interest securities	1,053,246	997,885
- Loans	10,270	12,222
Deposits with ceding companies	534	618
Investments benefiting life policyholders	113,740	120,091
Total investments	1,410,118	1,286,194
Receivables		
Receivables relating to direct insurance business due from:		
- Policyholders	36,601	35,336
- Insurance brokers and agents	48,185	44,258
- Current accounts with companies	6,360	4,481
- Amounts to be recovered from policyholders and third parties	24,540	24,243
Receivables relating to reinsurance business	5,710	10,375
Sundry receivables	17,182	38,166
Total receivables	138,578	156,859
Intangible assets	28,181	28,432
Tangible assets and inventory	3,916	4,422
Liquid funds	41,553	37,021
Other assets	8,170	5,719
Prepayments and accrued income	15,808	13,935
TOTAL ASSETS	1,646,324	1,532,582

Vittoria Assicurazioni S.p.A.

Reclassified balance sheet

(in thousands of Euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	2,006	2,005
Shareholders' equity		
- Share capital	30,452	30,000
- Share premium reserve	21,858	20,142
- Revaluation reserves	6,370	6,370
- Legal reserve	6,000	5,965
- Other reserves	80,993	65,198
- Net profit for the year	27,437	20,330
Total shareholders' equity	173,110	148,005
Subordinated liabilities	15,832	18,000
Technical reserves, net of reinsurance		
- Premium reserve	148,726	127,659
- Claims reserve	383,836	342,833
- Mathematical reserves	626,474	572,891
- Reserve for payable amounts	23,053	26,724
- Other technical reserves	9,374	7,974
- Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	113,740	120,091
Total technical reserves	1,305,203	1,198,172
Payables		
Deposits received from reinsurers	86,934	106,301
Payables arising from direct insurance business due to:		
- Insurance brokers and agents	1,427	1,960
- Current accounts with companies	4,933	4,881
- Guarantee deposits paid by policyholders	27	4
- Guarantee funds in favour of policyholders	440	1,034
Payables arising from reinsurance business	12,489	7,154
Other sums payable	24,939	25,168
Total payables	131,189	146,502
Provisions for contingencies and other charges	3,301	4,818
Employees' leaving entitlement	6,336	5,921
Other liabilities	10,474	10,160
Accrued expenses and deferred income	879	1,004
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,646,324	1,532,582

Vittoria Assicurazioni S.p.A.

Reclassified income statement

(in thousands of Euros)

	2,006	2,005
Technical account		
Life business:		
Direct insurance		
(+) Gross premiums accounted for	131,703	117,760
(-) Charges relating to claims	107,866	91,497
(-) Change in mathematical and other technical reserves	44,074	42,720
(+) Other technical captions, net	940	1,111
(-) Operating costs	14,632	13,754
(+) Income on investments where the company bears account	27,839	24,885
(+) Income on investments where policyholders bear the risk (class D)	10,917	9,343
Direct insurance result	4,827	5,128
Outwards reinsurance result	271	614
Retained direct insurance result	5,098	5,742
Indirect and retroceded insurance result	-41	-55
Result of life business technical account	5,057	5,687
Non-life business:		
Direct insurance		
(+) Gross premiums accounted for	454,560	432,416
(-) Change in premium reserve	7,613	8,178
(-) Charges relating to claims	313,510	295,776
(-) Change in other technical reserves	463	484
(+) Other technical captions, net	-1,687	-3,251
(-) Operating costs	116,374	111,166
Direct insurance result	14,913	13,561
Outwards reinsurance result	-4,778	-3,172
Retained direct insurance result	10,135	10,389
Indirect and retroceded insurance result	233	331
Total retained insurance result	10,368	10,720
(-) Change in equalisation reserves	271	260
(+) Income on investments transferred from the non-technical account	20,895	10,170
Result of non-life business technical account	30,992	20,630
Result of technical account	36,049	26,317
(+) Income on non-life business investments net of the portion transferred to the technical account	4,999	2,356
(+) Income on investments transferred from the life business technical account	2,496	2,246
(+) Other income	1,932	2,008
(-) Other charges	7,383	6,321
Result of ordinary business	38,093	26,606
(+) Extraordinary income	360	4,725
(-) Extraordinary expense	248	79
Profit before taxation	38,205	31,252
(-) Taxation on profit for the year	10,768	10,922
Net profit for the year	27,437	20,330

Cash flow statement

(in thousands of Euros)

	2006	2005
SOURCE OF FUNDS		
Net profit for the year	27,437	20,330
Adjustments relating to captions not affecting liquidity:		
Net increase (+) decrease (-) in:		
claims	37,332	36,709
premiums	21,800	5,588
non-life business technical reserves	47,898	40,012
Increase (-) Decrease (+) in receivables from policyholders	-1,265	2,509
Net increase (-) decrease (+) in agent, reinsurer and coinsurer balances	-15,570	5,411
Net increase (-) decrease (+) in intangible assets	251	-1,065
Increase in specific provisions	-1,514	814
Employees' leaving entitlement accrual	-979	-818
utilisation	1,394	1,315
Increase (-) decrease (+) in other receivables, sundry assets and accrued income	16,600	-25,749
Increase (+) decrease (-) in other sums payable, other liabilities and accrued expenses	-344	7,318
Adjustments to securities	-623	1,006
Adjustments to class D securities	-7,628	-7,434
Funds generated by ordinary activities	124,789	85,946
Disposal of fixed assets	255	355
Sale of bonds and other fixed-interest securities	77,607	44,766
Sale of equity investments	15,681	75,350
Sale of unit trusts	747	328
Sale of class D	45,863	24,753
Repayment of loans and borrowings	5,639	11,750
Other sales of financial assets		-
Funds generated by disposals	145,792	157,302
Total funds generated	270,581	243,248

Cash flow statement

(in thousands of Euros)

	2006	2005
APPLICATION OF FUNDS		
Property	7	34
Fixed-interest securities	132,342	203,518
Investments	97,316	18,916
Unit trusts		-
Other financial investments		-
Class D investments	31,884	6,933
Loans to third parties		9,409
Prior year's dividend distributed	4,500	4,200
Total application of funds	266,049	243,010
Increase/decrease in liquid funds	4,532	238
Total	270,581	243,248
Liquid funds at the beginning of the year	37,021	36,783
Liquid funds at the end of the year	41,553	37,021

Consolidated financial statements

BALANCE SHEET - ASSETS

(in thousands of Euros)

	Note	31/12/2006	31/12/2005
1 INTANGIBLE ASSETS		16,432	14,924
1.1 Goodwill	1	0	0
1.2 Other intangible assets	2	16,432	14,924
2 PROPERTY, PLANT AND EQUIPMENT		278,524	114,586
2.1 Property	2	273,483	109,208
2.2 Other items of property, plant and equipment	2	5,041	5,378
3 REINSURERS' SHARE OF TECHNICAL RESERVES	3	126,958	143,306
4 INVESTMENTS		1,353,933	1,306,198
4.1 Investment property		0	0
4.2 Investments in subsidiaries and associates and <i>interests in joint ven</i>	4	53,194	31,477
4.3 Held to maturity investments	5	151,224	71,687
4.4 Loans and receivables	5	19,488	16,862
4.5 Financial assets available for sale	5	1,010,569	1,061,807
4.6 Financial assets at fair value through profit or loss	5	119,458	124,365
5 OTHER RECEIVABLES		148,272	188,417
5.1 Receivables relating to direct insurance	6	114,514	107,151
5.2 Receivables relating to reinsurance business	7	5,710	10,375
5.3 Other receivables	8	28,048	70,891
6 OTHER ASSETS		40,265	45,619
6.1 Non-current assets or assets of a disposal group classified as held for sale		0	0
6.2 Deferred acquisition costs	9	11,250	12,818
6.3 Deferred tax assets	10	12,050	10,682
6.4 Current tax assets	11	14,002	19,910
6.5 Other assets	12	2,963	2,209
7 CASH AND CASH EQUIVALENTS	13	82,753	75,016
TOTAL ASSETS		2,047,137	1,888,066

Consolidated financial statements

BALANCE SHEET - EQUITY AND LIABILITIES

(in thousands of Euros)

	Note	31/12/2006	31/12/2005
1 EQUITY		232,822	213,533
1.1 attributable to the shareholders of the parent		226,311	203,635
1.1.1 Share capital	14	30,452	30,000
1.1.2 Other equity instruments	14	1,229	1,398
1.1.3 Equity-related reserves	14	21,878	20,142
1.1.4 Income-related and other reserves	14	125,478	91,715
1.1.5 (Treasury shares)	14	0	0
1.1.6 Translation reserve	14	-2	6
1.1.7 Fair value reserve	14	11,847	21,585
1.1.8 Other gains or losses recognised directly in equity	14	22	-1,190
1.1.9 Profit for the year attributable to the shareholders of the parent		35,407	39,979
1.2 attributable to minority interests	14	6,511	9,898
1.2.1 Share capital and reserves attributable to minority interests		5,393	5,518
1.2.2 Gains or losses recognised directly in equity		0	0
1.2.3 Profit for the year attributable to minority interests		1,118	4,380
2 PROVISIONS	15	4,813	5,344
3 TECHNICAL RESERVES	16	1,341,505	1,258,577
4 FINANCIAL LIABILITIES		322,229	306,286
4.1 Financial liabilities at fair value through profit or loss	17	116,048	122,758
4.2 Other financial liabilities	17	206,181	183,528
5 PAYABLES		98,059	57,646
5.1 Payables arising from direct insurance business	18	6,827	7,879
5.2 Payables arising from reinsurance business	19	12,489	7,154
5.3 Other sums payable	20	78,743	42,613
6 OTHER LIABILITIES		47,709	46,680
6.1 Liabilities of a disposal group held for sale		0	0
6.2 Deferred tax liabilities	21	24,479	10,474
6.3 Current tax liabilities	22	6,145	19,832
6.4 Other liabilities	23	17,085	16,374
TOTAL EQUITY AND LIABILITIES		2,047,137	1,888,066

Consolidated financial statements

INCOME STATEMENT

(in thousands of Euros)

	Note	2006	2005
1.1	Net premiums	484,421	452,955
1.1.1	<i>Gross premiums</i>	563,601	539,385
1.1.2	<i>Ceded premiums</i>	79,180	86,430
1.2	Commission income	408	1,943
1.3	Gains or losses on remeasurement of financial instruments at fair value through profit or loss	8	45
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	18,219	6,532
1.5	Gains on other financial instruments and investment property	46,990	44,593
1.5.1	<i>Interest income</i>	45,175	38,863
1.5.2	<i>Other income</i>	1,808	1,605
1.5.3	<i>Realised gains</i>	7	4,097
1.5.4	<i>Unrealised gains</i>	0	28
1.6	Other income	23,530	60,314
1	TOTAL REVENUE	573,576	566,382
2.1	Net charges relating to claims	375,909	353,429
2.1.1	<i>Amounts paid and change in technical reserves</i>	436,791	422,812
2.1.2	<i>Reinsurers' share</i>	-60,882	-69,383
2.2	Commission expense	602	722
2.3	Losses on investments in subsidiaries and associates and <i>interests in joint ventures</i>	408	298
2.4	Losses on other financial instruments and investment property	5,215	5,117
2.4.1	<i>Interest expense</i>	5,161	5,117
2.4.2	<i>Other expense</i>	0	0
2.4.3	<i>Realised losses</i>	9	0
2.4.4	<i>Unrealised losses</i>	45	0
2.5	Operating costs	127,559	125,519
2.5.1	<i>Commissions and other acquisition costs</i>	94,474	88,006
2.5.2	<i>Investment management costs</i>	859	729
2.5.3	<i>Other administrative costs</i>	32,226	36,784
2.6	Other costs	12,014	12,061
2	TOTAL COSTS	521,707	497,146
	PROFIT FOR THE YEAR BEFORE TAXATION	51,869	69,236
3	Income taxes	15,344	24,877
	PROFIT FOR THE YEAR	36,525	44,359
4	GAIN (LOSS) ON DISCONTINUED OPERATIONS	0	0
	CONSOLIDATED PROFIT	36,525	44,359
	of which attributable to the shareholders of the parent	35,407	39,979
	of which attributable to minority interests	1,118	4,380
	Basic EARNINGS per share	1.16	1.33
	Diluted EARNINGS per share	1.07	1.21

Consolidated financial statements

Cash flow statement (indirect method)

(in thousands of Euros)

	2006	2005
Profit for the year before taxation	51,869	69,236
Change in non-monetary items	97,014	115,941
Change in non-life premium reserve	20,817	4,625
Change in claims reserve and other non-life technical reserves	41,467	28,661
Change in mathematical reserves and other life technical reserves	36,992	59,830
Change in deferred acquisition costs	1,568	119
Change in provisions	-531	3,757
Non-monetary gains and losses on financial instruments, investment property and investments in subsidiaries and associates and interests in joint ventures	-8,114	3,497
Other changes	4,815	15,452
Change in receivables and payables arising from operating activities	80,558	-60,052
Change in receivables and payables relating to direct insurance and reinsurance	1,585	2,890
Change in other receivables and payables	78,973	-62,942
Taxes paid	-15,344	-10,344
Net cash flow generated by/used for monetary items from investing and financing activities	-1,803	-2,992
Liabilities from financial contracts issued by insurance companies	-6,710	-18,345
Payables to bank and interbank customers		0
Loans and receivables from bank and interbank customers		0
Other financial instruments at fair value through profit or loss	4,907	15,353
NET CASH FLOW FROM OPERATING ACTIVITIES	212,294	111,789
Net cash flow generated by/used for investment property		
Net cash flow generated by/used for investments in subsidiaries and associated companies and interests in joint ventures	-3,865	-6,574
Net cash flow generated by/used for loans and receivables	-2,626	3,567
Net cash flow generated by/used for held to maturity investments	-79,537	-10,674
Net cash flow generated by/used for financial assets available for sale	32,974	-158,962
Net cash flow generated by/used for property, plant and equipment	-165,446	76,899
Other net cash flows generated by/used for investing activities		0
NET CASH FLOW FROM INVESTING ACTIVITIES	-218,500	-95,744
Net cash flow generated by/used for equity instruments attributable to the shareholders of the parent		0
Net cash flow generated by/used for treasury shares		0
Dividends distributed to the shareholders of the parent	-4,500	-4,200
Net cash flow generated by/used for share capital and reserves attributable to minority interests	-6,229	-1,616
Net cash flow generated by/used for subordinated liabilities and equity instruments		0
Net cash flow generated by/used for other financial liabilities	24,672	9,235
NET CASH FLOW FROM FINANCING ACTIVITIES	13,943	3,419
Effect of exchange rate gains/losses on cash and cash equivalents	0	0
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	75,016	55,552
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,737	19,464
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	82,753	75,016