

Vittoria Assicurazioni

SOCIETÀ PER AZIONI
REGISTERED OFFICES: VIA CALDERA, 21 - 20153 MILAN - ITALY
SHARE CAPITAL: EURO 30,451,623 FULLY PAID-UP
FISCAL CODE AND MILAN COMPANIES REGISTER
NO. 01329510158 - REA NO. 54871
COMPANY AUTHORISED TO CARRY OUT INSURANCE ACTIVITIES
PURSUANT TO ARTICLE 65 OF LEGISLATIVE DECREE NO. 966
OF 29 APRIL 1923

Consolidated quarterly report at 31 March 2007

Board of directors' meeting
of 11 May 2007



in accordance with Consob resolution no. 11971 of 14 May 1999 as modified and integrated by resolution no. 14990 of 14 April 2005

Please note that the original Report is in Italian. In case of doubt the Italian version prevails

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*** BOARD OF DIRECTORS**

Luigi GUATRI	Honorary Chairman
Giorgio COSTA	Chairman
Andrea ACUTIS	Executive Deputy Chairman
Carlo ACUTIS	Executive Deputy Chairman
Roberto GUARENA	Managing Director
Adriana ACUTIS BISCARETTI di RUFFIA	Director
Francesco BAGGI SISINI	Independent director
Tiberto BRANDOLINI d'ADDA	Independent director
Marco BRIGNONE	Independent director
Arnaud HELLOUIN de MENIBUS	Director
Pietro Carlo MARSANI	Independent director
Giorgio MARSIAJ	Independent director
Edgar MÜLLER-GOTTHARD	Independent director
Lodovico PASSERIN d'ENTREVES	Independent director
Luca PAVERI FONTANA	Director
Robert RICCI	Independent director
Giuseppe SPADAFORA	Independent director
Mario RAVASIO	Secretary

*** BOARD OF STATUTORY AUDITORS**

Angelo CASÒ	President
Giovanni MARITANO	Standing statutory auditor
Livio STRAZZERA	Standing statutory auditor
Ferruccio ARALDI	Substitute statutory auditor
Sergio VASCONI	Substitute statutory auditor

GENERAL MANAGEMENT

Mario RAVASIO	Joint General Manager
Cesare CALDARELLI	Deputy General Manager
Enrico CORAZZA	Central Manager

INDEPENDENT AUDITOR

BDO Sala Scelsi Farina
Società di Revisione per Azioni
(joint-stock auditing company)

* Corporate bodies and officers appointed by the Shareholders' Meeting and by the Board of Directors on 27 April 2007.

APPOINTMENTS AND REMUNERATION COMMITTEE

Luca PAVERI FONTANA	Non-executive president
Francesco BAGGI SISINI	Independent non-executive member
Lodovico PASSERIN d'ENTREVES	Independent non-executive member

INTERNAL CONTROL COMMITTEE

Pietro Carlo MARSANI	Independent non-executive president
Francesco BAGGI SISINI	Independent non-executive member
Giuseppe SPADAFORA	Independent non-executive member

FINANCE COMMITTEE

Andrea ACUTIS	Executive president
Carlo ACUTIS	Executive member
Giorgio COSTA	Independent non-executive member
Roberto GUARENA	Executive member
Luca PAVERI FONTANA	Independent non-executive member

REAL ESTATE COMMITTEE

Andrea ACUTIS	Executive president
Adriana ACUTIS BISCARETTI di RUFFIA	Non-executive member
Carlo ACUTIS	Executive member
Francesco BAGGI SISINI	Independent non-executive member
Giorgio COSTA	Non-executive member
Roberto GUARENA	Executive member
Arnaud HELLOUIN de MENIBUS	Non-executive member
Luca PAVERI FONTANA	Non-executive member

In accordance with CONSOB (Italian securities & exchange commission) communication no. 97001574 of 20 February 1997 and given that the company Articles of Association delegate to the Chairman of the Board of Directors powers of legal representation of the company for transactions with third parties and in court and, with the approach established by the Board of Directors, to the Deputy Chairman and Managing Director, a brief description is provided below of the nature of the powers given by the Board of Directors (*), to be exercised on a disjoined basis, to:

The DEPUTY CHAIRMAN Carlo Acutis
and to the MANAGING DIRECTOR

- Purchase, exchange and sell buildings up to a maximum of € 10 (ten) million per transaction.
- Stipulate tender contracts and sign projects and specifications related to the company's buildings.
- Purchase and sell, without any limit on the amount, government securities or securities guaranteed by the government, non-convertible bonds and similar securities and units in CIUs (collective investment undertakings) that mainly invest in bonds.
- Purchase and sell, give and carry over shares, convertible bonds, investments in companies and bodies, units of closed-end funds and credit instruments in general up to a maximum of € 10 (ten) million, reduced to € 5 (five) million when the investments and divestments relate to investments in insurance companies or other companies with a corporate purpose directly related or functional to that business. The right to purchase and sell majority investments in other companies and bodies is in any case the prerogative of the Board of Directors, except for those transactions involving real estate companies within the limit of € 10 million per transaction.
- Purchase and sell units of CIUs, excluding closed-end funds, that invest in the equity segment, up to the maximum amount of € 15 (fifteen) million.
- Purchase and sell, without any limit on amount, debt and equity securities for the benefit of life policyholders who bear related risk and those arising from pension fund management.
- Grant loans and financing up to the amount of € 5 (five) million in all other cases, with the right to agree on all guarantees, including mortgages.

The right to issue sureties and endorsements on behalf of third parties is in any case the prerogative of the Board of Directors except for those for lease contracts related to the company's normal operations.

(*) Powers assigned by the Board of Directors on 27 April 2007.

Report format and content

The consolidated quarterly interim report for the quarter ending on 31 March 2007, which has been prepared in accordance with IFRSs, is presented in compliance with Article 82 of CONSOB (Italian securities & exchange commission) resolution no. 11971 of 14 May 1999 as subsequently amended and supplemented by resolution no. 14990 of 14 April 2005.

The report, prepared in accordance with Annex 3D of the aforesaid resolution, consists of a directors' report, which comments on the group's performance and the main events in the period, the interim financial statements and related notes.

In addition to the consolidated income statement and the income statement by business segment, it has been deemed appropriate also to include the direct operating parent company's reclassified income statement, drawn up in compliance with Italian GAAPs, thus providing greater information on insurance operating performance.

All insurance technical data, shown in the various tables in the report on operating performance, refer to Vittoria Assicurazioni SpA, which is the Group's only insurance company.

Unless otherwise indicated, figures in this report are expressed in thousands of euro (€'000).

Accounting policies

The rules for preparation and accounting policies adopted for the preparation of the consolidated quarterly interim report are the same as those used for the annual consolidated financial statements. Accordingly, reference should be made to the "Accounting policies" section of the Consolidated Annual Report for the year ending on 31 December 2006. Nevertheless, given the faster presentation required than in the case of annual financial statements and since this is an interim report, use has been made – consistently with the period's operating data – of appropriate estimation methods.

The Vittoria Assicurazioni Group and scope of consolidation

Consolidated investments

The following investments are consolidated on a 100% line-by-line basis.

	Registered Offices	Share Capital Euro	% Ownership		Via
			Direct	Indirect	
Vittoria Assicurazioni S.p.A.	Milan	30,451,623			
Vittoria Immobiliare S.p.A.	Milan	12,200,000	87.24%		
Immobiliare Bilancia S.r.l.	Milan	2,000,000	97.66%		
Immobiliare Bilancia Prima S.r.l.	Milan	2,000,000	100.00%		
Immobiliare Bilancia Seconda S.r.l.	Milan	1,000,000	100.00%		
Immobiliare Bilancia Terza S.r.l.	Milan	100,000	100.00%		
Lauro 2000 S.r.l.	Milan	15,000,000	100.00%		
Yafra S.a.s.	Paris France	37,000	55.00%		
Vittoria Properties S.r.l.	Milan	4,000,000	99.00%	1.00%	
Interbilancia S.r.l.	Milan	80,000	80.00%	20.00%	Vittoria Immobiliare S.p.A.
Vittoria Service S.r.l.	Milan	80,000	70.00%	30.00%	
Acacia 2000 S.r.l.	Milan	100,000		100.00%	
Gestimmobili S.r.l.	Milan	104,000		80.00%	
Interimmobili S.r.l.	Rome	104,000		80.00%	Vittoria Immobiliare S.p.A.
Forum Mondadori Residenze S.r.l.	Milan	100,000		70.00%	
V.R.G. Domus S.r.l.	Turin	1,000,000		51.00%	
Parco Fidenae S.r.l.	Rome	50,000		51.00%	
Aspevi S.r.l.	Milan	10,400		100.00%	Interbilancia S.r.l.
Vittoria.Net S.r.l.	Milan	10,400		100.00%	

Changes occurring during the quarter

Forum Mondadori Residenze Srl – 70% equity interest

The company was set up, without an outlay of € 70 thousand by Vittoria Immobiliare SpA, for execution of a real estate project in Mantua.

Unconsolidated investments

The following companies are equity-accounted:

	Registered Offices	Share Capital Euro	% Ownership		
			Direct	Indirect	Via
Yarpa International Holding N.V.	Amsterdam Holland	675,000	25.00%		
Laumor B.V.	Amsterdam Holland	20,000	25.00%		
White Finance S.A	Luxembourg	1,000,000	32.17%		
S.In.T. S.p.A.	Turin	1,000,000	48.19%		
B.P.C. S.p.A.	Genoa	9,635,000	20.91%		
Laumor Holdings S.a.r.l.	Luxembourg	12,500	29.00%		
Gimatrading S.r.l.	Turin	10,400		35.00%	
Sivim S.r.l.	Milan	60,000		49.50%	
Rovimmobiliare S.r.l	Rome	20,000		50.00%	Vittoria Immobiliare S.p.A.
Mosaico S.p.A.	Turin	500,000		25.00%	
Pama & Partners S.r.l.	Genoa	1,200,000		25.00%	
Le Api S.r.l.	Milan	10,400		30.00%	Interbilancia S.r.l.

Changes occurring during the quarter

Laumor Holdings Sarl

The direct operating parent company paid € 2,096 thousand to the associate company as an increase of the quota premium reserve.

White Finance SA

The direct operating parent company paid € 1,610 thousand to the associate company as an increase of the share premium reserve.

Directors' Report

Performance of the Vittoria Assicurazioni Group

Actual results at the end of the first quarter of 2007 (1Q07) showed consolidated net profit attributable to parent company shareholders of € 6,646 thousand vs. € 7,322 thousand in the same period in the previous year (1Q06) (i.e. -9.2%).

Improvement in the insurance business in the quarter was set against a less positive contribution from the real estate business. This reflects investments made and still underway, for which partial economic returns are expected in the second part of the year, with greater and major impact above all in future financial years.

Investments - which amounted to a total of € 1,763,714 thousand, of which € 112,602 thousand relating to investments for which risk is borne by policyholders and € 1,651,112 thousand to investments for which risk is borne by the Group – showed an increase of 3.1% vs. status as at 1 December 2006.

Net gains for investments for which risk is borne by the Group amounted to € 15,300 thousand vs. € 15,513 thousand in 1Q06 (-1.4%).

Equity attributable to parent company shareholders amounted to € 234,769 thousand (+3.7% vs. status as at 31/12/2006) whilst minority interest amounted to € 6,535 thousand.

Assessment currently underway concerning the strategic position of COGEDIM, as per our press release of 17 April 2007, means that it is not possible to set a consolidated ROE target for the current financial year.

As at 31 March 2007 the direct operating parent company showed a net profit – based on Italian GAAPs – of € 5,512 thousand (vs. € 5,108 thousand in 1Q06) with an increase of 7.9% YoY.

INSURANCE BUSINESS

With the coming into force of Italian Presidential Decree no. 254/2006 (as per Article 150 of Italian Legislative Decree no. 2009 of 7 September 2005, known as the "Private Insurers' Code"), which introduces the new direct indemnity – i.e. knock-for-knock – system regulated by the direct-indemnity convention between insurers (Italian acronym = CARD) the Motor TPL (third-party liability) branch has undergone change also as regards the accounting system.

Given the numerous organisational tasks necessary for its operation, for the direct operating parent company start-up of the new system has meant intensive work on redefinition of business processes in a very short time, particularly as regards IT functionalities.

Given the magnitude of these new tasks, data for the quarter in question have been prepared with the aid of the new set-up together with reasonable estimation processes designed to safeguard consistent application of the regulation.

The early entry into force of the knock-for-knock system mentioned above – compared with the expectations of the entire insurance market – has slowed down the operating and accounting process in some companies in the market, with consequent adverse repercussions on the direct operating parent company's administrative recording process. More specifically, some of the claims paid by other insurers on Vittoria Assicurazioni's behalf have apparently not been debited. This fact leads to higher claims reserve at the expense of claims paid and consequent reduction of settlement speed. We believe these data will be more consistent in this year's half-year interim report.

Profit for the insurance business, before taxes and intersegment eliminations, amounted to €10,712 thousand (€ 10,340 thousand as at 31/03/2006)). The key operating items contributing to the period's result are described below.

Total insurance premiums in 1Q07 amounted to € 144,015 thousand (+6.5% vs. premiums of €135,041 thousand in 1Q06), of which € 143,429 thousand for insurance premiums written and €586 thousand for index- and unit-linked investment contracts and for the Vittoria Formula Lavoro open-ended pension fund.

Direct Life insurance premiums – which do not include contracts considered to be financial instruments – featured a decrease of -1.3% vs. 1Q06. As shown in the specific table, they also featured a major increase in Class I – whole and term-life insurance – set against a decrease in Class V – capital redemption insurance.

Direct Non-Life (i.e. property & casualty) insurance premiums increased by +8.7%. Specifically:

- Motor premiums progressed by 4.9% (Land motor TPL +5.6%; Ship [sea, lake, and river] TPL +20.0%, Land vehicle hulls +1.4%; and Assistance +14.1%)
- Premiums for other non-marine insurance grew by +22.6%
- Premiums for specialty categories [i.e. marine & transport, aviation, and credit & suretyship] decreased by -2.5% following less activity in the Aircraft hulls branch.

The Group's share of associate companies' profits amounted to € 1,162 thousand (€ 1,597 thousand in 1Q06). These results, recognised primarily in the Non-Life business in the income statement presented by business segment, mainly related to the results of real estate and private equity companies.

REAL ESTATE BUSINESS

Profit for the real estate business, before taxes and intersegment eliminations, amounted to € 23 thousand (€ 2,649 thousand in 1Q06) and featured contributors to the income statement that, before intersegment eliminations, included:

- Income earned on properties from trading (€ 2,241 thousand) and development (€ 271 thousand) totalling € 2,512 thousand (€ 4,246 thousand in 1Q06)
- Revenues from real estate brokerage and management services of € 429 thousand and rental income of € 215 thousand (€ 797 thousand and € 362 thousand respectively in 1Q06).

The present policy implemented by the Group in the real estate business focuses prevalently on the execution of development and promotion operations, whereas the incidence of trading activity in the period was lower.

SERVICE BUSINESS

Revenues for services rendered in 1Q07 by Group companies, before elimination of intercompany services, amounted to € 1,044 thousand. These revenues included € 1,012 thousand for commissions and services rendered to the direct operating parent company and € 32 thousand for revenues from third parties.

This segment showed a profit in the period, before tax and minority interest, of € 72 thousand (€124 thousand in 1Q06).

Review of operations

Premiums

In consolidated accounts premiums are shown net of index- and unit-linked contracts and those relating to the open-ended pension fund Vittoria Formula Lavoro, since under IFRS 4 these revenues – which amounted to € 586 thousand (€ 205 thousand in 1Q06) – are not considered to be insurance premiums.

Premiums collected in 1Q07 thus amounted to € 143,429 thousand. The following table shows portfolio mix and changes occurring by insurance segment and branch.

BREAKDOWN OF GROSS PREMIUMS WRITTEN IN THE FIRST QUARTER OF 2007 AND 2006

DIRECT AND INDIRECT INSURANCE

(in thousands of Euros)

	31/03/2007	31/03/2006	Change %	Percentage of portfolio	
				2007	2006
Domestic direct insurance					
Life business					
I Whole and term life insurance	24,115	13,031	85.1	16.8	9.7
IV Health insurance	43	132	-67.4	0.0	0.1
V Capitalisation insurance	4,566	15,943	-71.4	3.2	11.8
Total life business	28,724	29,106	-1.3	20.0	21.6
Non-life business					
Accident insurance	5,850	5,534	5.7	4.2	4.1
Health insurance	1,693	1,711	-1.1	1.2	1.3
Fire and natural events	5,326	4,921	8.2	3.7	3.6
Miscellaneous damages	3,365	3,331	1.0	2.3	2.5
Third-party general liability	6,574	5,587	17.7	4.6	4.1
Pecuniary losses	6,184	2,547	142.8	4.3	1.9
Legal protection	594	496	19.8	0.4	0.4
Total non-marine businesses	29,586	24,127	22.6	20.7	17.9
Aviation hulls	197	550	-64.2	0.1	0.4
Marine hulls	115	27	325.9	0.1	0.0
Cargo insurance	553	606	-8.7	0.4	0.5
Third-party aviation liability	34	62	-45.2	0.0	0.0
Bond insurance	2,262	1,998	13.2	1.6	1.5
Total special businesses	3,161	3,243	-2.5	2.2	2.4
Third-party motor liability	66,694	63,180	5.6	46.5	46.9
Third-party marine liability	36	30	20.0	0.0	0.0
Motor vehicle hulls	14,171	13,981	1.4	9.9	10.4
Support and assistance	971	851	14.1	0.7	0.6
Total motor businesses	81,872	78,042	4.9	57.1	57.9
Total non-life businesses	114,619	105,412	8.7	79.9	78.2
Total direct insurance	143,343	134,518	6.6	99.9	99.8
Domestic indirect insurance					
Non-life businesses	86	318	-73.0	0.1	0.2
Total indirect insurance	86	318	-73.0	0.1	0.2
Total	143,429	134,836	6.4	100.0	100.0

During the quarter two new agencies were opened and six were reorganised, As at March 31st 2007, 236 agencies and 331 professional sub-agencies were operational.

The direct operating parent company does not operate under freedom-to-provide-service provisions or via secondary establishments in other EU and non-EU countries.

The table below shows the geographical spread of agencies and geographical breakdown of premiums for Italian direct business.

(in thousands of Euros)

Region	Non-life business			Life business	
	Agencies	premiums	%	premiums	%
NORTH					
Emilia Romagna	21	8,258		1,075	
Friuli Venezia Giulia	3	1,419		215	
Liguria	9	4,103		341	
Lombardy	59	30,025		6,630	
Piedmont	25	7,971		872	
Trentino Alto Adige	4	1,942		167	
Valle d'Aosta	1	442		28	
Veneto	22	7,742		1,145	
Total	144	61,902	54.0	10,473	36.5
CENTRE					
Abruzzi	7	4,407		600	
Lazio	24	19,678		14,473	
Marches	8	1,928		432	
Tuscany	20	9,589		1,081	
Umbria	11	4,753		621	
Total	70	40,355	35.2	17,207	59.9
SOUTH AND ISLANDS					
Basilicata	2	1,098		120	
Calabria	2	811		22	
Campania	6	2,357		319	
Apulia	4	3,312		256	
Sardinia	1	1,315		17	
Sicily	7	3,469		310	
Total	22	12,362	10.8	1,044	3.6
Total	236	114,619	100.0	28,724	100.0

Life business

Premiums

Direct premiums written in 1Q07 amounted to € 28,724 thousand (€ 29,106 thousand in 1Q06), of which € 18,042 thousand for single premiums and € 10,082 thousand for annual premiums, respectively accounting for 62.8% and 37.2% of the total.

Claims, accrued capital sums & annuities, and surrenders

The comparison relating to settlements in the quarter is shown in the following table:

	(in thousands of Euros)	
	31/3/2007	31/3/2006
Claims	393	1,065
Accrued sums and annuities	9,212	6,975
Surrenders	4,767	4,555
Total	14,372	12,595

Reinsurance

Outward reinsurance

In the Life business, for Class I (whole-life and term insurance), the main treaties in place are as follows:

- Excess of risk premium
- Pure commercial premiums ceded in FYs 1996 and 1997.

In 1Q07 ceded premiums amounted to € 1,143 thousand.

Inward reinsurance

In the Life business there is a traditional treaty no longer active that merely records changes occurring in the portfolio concerned.

Non-Life business

Premiums and technical performance

Direct premiums written in 1Q07 amounted to € 114,619 thousand (€ 105,412 thousand in 1Q06) and showed an increase of 8.7% YoY.

Below we report on technical performance for the various categories of lines:

Non-Marine Lines (exc. Specialty and Motor)

Non-marine premiums increased by 22.6%, thanks also the significant growth of “20% salary-assignment loan” (“cessione del quinto”) risks and confirmed the increase of their weight in the direct operating parent company's book. The technical result was positive.

Specialty lines

Premiums in the Specialty category decreased by -2.5% in the period as the consequence of careful selection of risks in the underwriting phase. The overall technical result was negative.

Motor lines

These lines featured 4.9% growth of premiums written. The positive technical result showed improvement over 1Q06.

Claims

Reported claims

The following table concerning reported claims has been prepared based on the data of positions opened in the period in question. Data are compared with those of the same period in the previous FY:

(in thousands of Euros)						
	31/03/07		31/03/06		Change %	
	number	total cost	number	total cost	number	total cost
Accident insurance	1,598	4,036	1,563	6,417	2.2	-37.1
Health insurance	833	1,067	850	939	-2.0	13.7
Fire and natural events	1,024	2,040	1,029	2,479	-0.5	-17.7
Miscellaneous damages	2,049	3,604	2,107	3,275	-2.8	10.0
Third-party general liability	1,754	5,060	2,209	5,738	-20.6	-11.8
Legal protection	65	34	50	38	30.0	-11.0
Pecuniary losses	34	75	47	150	-27.7	-49.9
Total non-motor businesses	7,357	15,916	7,855	19,036	-6.3	-16.4
Third-party aviation liability	1	76	5	598	-80.0	n.v.
Third-party marine liability	8	34	3	10	166.7	241.5
Cargo insurance	100	332	92	543	8.7	-38.8
Third-party aviation liability	2	22	2	3	n.a.	n.a.
Bond insurance	47	2,360	28	1,391	67.9	69.7
Total Special businesses	158	2,824	130	2,545	21.5	11.0
Third-party motor liability	14,934	37,106	16,096	46,440	-7.2	-20.1
Third-party marine liability	7	36	9	55	-22.2	-35.4
Motor vehicle hulls	4,809	8,365	4,478	8,560	7.4	-2.3
Support and assistance	1,927	186	1,485	128	29.8	45.5
Total motor businesses	21,677	45,692	22,068	55,183	-1.8	-17.2
Total non-life businesses	29,192	64,432	30,053	76,764	-2.9	-16.1

Claims paid

The following table shows claims paid for direct business and the amount charged to reinsurers, with the data broken down by the period to which claims refer:

(in thousands of Euros)

	Claims paid 31/03/07			Claims recovered from reinsurers	Claims paid 31/03/06			Change gross claims %
	Current year	Previous years	Total		Current year	Previous years	Total	
Accident insurance	113	3,585	3,698	1,054	80	1,966	2,046	80.7
Health insurance	346	879	1,225	-	153	833	986	24.2
Fire and natural events	376	1,842	2,218	27	209	1,920	2,129	4.2
Miscellaneous damages	739	1,938	2,677	12	675	1,810	2,485	7.7
Third-party general liability	423	2,778	3,201	135	221	2,912	3,133	2.2
Legal protection	-	9	9	8	-	-	-	n.v.
Pecuniary losses	6	29	35	-	5	19	24	45.8
Total non-motor businesses	2,003	11,060	13,063	1,236	1,343	9,460	10,803	20.9
Third-party aviation liability	-	341	341	324	-	2	2	n.v.
Third-party marine liability	4	26	30	5	-	25	25	20.0
Cargo insurance	19	360	379	300	1	332	333	13.8
Credit insurance	-	-	-	-	-	-	-	n.v.
Bond insurance	1,078	327	1,405	321	208	1,610	1,818	-22.7
Total Special businesses	1,101	1,057	2,158	953	209	1,965	2,174	-0.7
Third-party motor liability	6,517	38,303	44,820	6,978	7,592	41,989	49,581	-9.6
Third-party marine liability	3	71	74	-	9	29	38	94.7
Motor vehicle hulls	1,685	4,755	6,440	62	1,416	5,344	6,760	-4.7
Support and assistance	37	215	252	227	19	185	204	23.5
Total motor businesses	8,242	43,344	51,586	7,267	9,036	47,547	56,583	-8.8
Total non-life businesses	11,346	55,461	66,807	9,456	10,588	58,972	69,560	-4.0

The cost includes the amount incurred in 1Q07 for the contribution to the guarantee fund for road-accident victims. This totalled € 1,644 thousand vs. € 1,557 thousand in 1Q06.

Reinsurance

Outward reinsurance

As far as outward reinsurance is concerned, the corporate policy is based on selective underwriting of risks and on book development and consistency in relation to the risks covered. It aims to balance net retention. Transactions are undertaken internationally with players in the reinsurance markets featuring high ratings.

The main treaties in place are the following:

Non-life business	Type of treaty
Accident	Excess claims
	Pure premium for general aviation
Aircraft hulls	Pure premium for flight risks
	Pure premium for general aviation
Cargo (goods in transit)	Voluntary-mandatory
Fire and natural elements	Excess claims
Motor TPL	Pure premium (in 1Q07 the part ceded was reduced from 20% to 10%)
	Excess claims
Aviation TPL	Pure premium for general aviation
General TPL	Excess claims
	Pure premium for general aviation
Suretyship	Pure premium
Legal protection	Pure premium
Assistance	Pure premium

Inward reinsurance

Acceptance of inward reinsurance risks mainly arises from participation in syndicates and from business concerning Aircraft hulls – flight risks.

Ceded and retroceded premiums in 1Q07 amounted to € 12,574 thousand (€ 17,603 thousand in 1Q06).

Technical reserves

Technical reserves, gross of reinsurers' share, were as shown in the following table:

(in thousands of Euros)

	Direct business		Indirect business		Total carrying amount	
	31/03/2007	31/12/2006	31/03/2007	31/12/2006	31/03/2007	31/12/2006
Non-life reserves	647,694	634,708	1,542	2,173	649,236	636,881
Premium reserve	172,356	171,329	93	191	172,449	171,520
Claims reserve	472,464	460,596	1,449	1,982	473,913	462,578
Other reserves	2,874	2,783	-	-	2,874	2,783
Life reserves	709,659	704,124	500	500	710,159	704,624
Reserve for payable amounts	14,432	20,759	11	11	14,443	20,770
Mathematical reserves	661,883	648,599	479	479	662,362	649,078
Other reserves	33,344	34,766	10	10	33,354	34,776
Total technical reserves	1,357,353	1,338,832	2,042	2,673	1,359,395	1,341,505

The Non-Life "Other reserves" item refers to the ageing reserve for Health insurance:

The Life "Other reserves" item mainly refers to:

- € 27,882 thousand for the reserve for deferred liabilities to policy holders (of which € 15,719 thousand stemming from measurement at fair value of available-for-sale securities and € 12,163 thousand from provisioning made against subsidiaries' profit allocated to segregated accounts)
- € 5,295 thousand for the operating expenses reserve.

Reinsurers' share of technical reserves is detailed in the following table:

(in thousands of Euros)

	Direct business		Indirect business		Total carrying amount	
	31/03/2007	31/12/2006	31/03/2007	31/12/2006	31/03/2007	31/12/2006
Non-life reserves	91,662	102,706	1,041	1,590	92,703	104,296
Premium reserve	17,873	25,428	41	126	17,914	25,554
Claims reserve	73,789	77,278	1,000	1,464	74,789	78,742
Other reserves	-	-	-	-	-	-
Life reserves	22,120	22,662	-	-	22,120	22,662
Reserve for payable amounts	21	21	-	-	21	21
Mathematical reserves	22,065	22,609	-	-	22,065	22,609
Other reserves	34	32	-	-	34	32
Total reinsurers' share of technical reserves	113,782	125,368	1,041	1,590	114,823	126,958

Overhead costs

Insurance Business

Overhead costs – direct business

In 1Q07 the total amount of insurance overhead costs (Non-Life and Life) – consisting of personnel costs and various other costs, plus depreciation of tangible assets and amortisation of intangible assets – rose to € 13,543 thousand vs. € 12,714 thousand in 1Q06, increasing by 6.5%.

Besides current operating expenses, these costs also include depreciation & amortisation costs for investments made in IT facilities and processes. These investments are intended to limit, in future years, the operating costs burdening corporate departments and the agency network, whilst at the same time improving services to policyholders as regards insurance coverage and claims settlement. Their breakdown is shown in the following table, where “Other costs” consist mainly of office running costs, IT costs, legal and legal-entity expenses, mandatory contributions, and association membership dues.

(in thousands of Euros)

ANALYSIS OF COSTS - Direct insurance	31/03/2007	31/03/2006	Change
Personnel expenses	7,698	7,367	4.5%
Other costs	4,646	4,093	13.5%
Amortisation/Depreciation	1,199	1,254	-4.4%
Total cost by nature	13,543	12,714	6.5%

The incidence of overhead costs on total direct insurance premiums was 9.4%, the same as in 1Q06.

The following table shows the breakdown of operating costs, claims costs, and other costs by function, together with YoY changes.

(in thousands of Euros)

ALLOCATION BY FUNCTION	31/03/2007	31/03/2006	Change
Other acquisition costs	4,648	4,229	9.9%
Charges relating to claims	2,832	2,484	14.0%
Other administrative costs	4,908	4,756	3.2%
Investment management costs	220	271	-18.8%
Other costs	935	974	-4.0%
Total costs by function	13,543	12,714	6.5%

Real Estate Business overheads – Service Business overheads

The overhead costs of the Real Estate and Service businesses, before intersegment eliminations, are shown in the following tables.

Personnel costs and general expenses are allocated to operating expenses (and specifically to “Other administrative costs”). Depreciation and amortisation costs allocated to the “Other costs” item in the income statement.

REAL ESTATE BUSINESS

(in thousands of Euros)

ANALYSIS OF COSTS - Direct insurance	31/03/2007	31/03/2006	Change
Personnel expenses	824	655	25.8%
Other costs	1,817	1,847	-1.6%
Amortisation/Depreciation	58	55	5.5%
Total cost by nature	2,699	2,557	5.6%

SERVICE BUSINESS

(in thousands of Euros)

ANALYSIS OF COSTS - Direct insurance	31/03/2007	31/03/2006	Change
Personnel expenses	137	133	3.0%
Other costs	838	823	1.8%
Amortisation/Depreciation	10	12	-16.7%
Totale Costi per natura	985	968	1.8%

Operating costs

The following table shows the total amount of insurance operating costs (Non-Life and Life) as reported in the income statement by business segment.

(in thousands of Euros)			
	31/03/07	31/03/06	Change
Gross commissions and other acquisition costs	30,340	26,694	13.7%
a Acquisition and premium collection commissions	23,690	19,739	20.0%
b Other acquisition costs	6,559	6,473	1.3%
(*) b1 allocated overhead costs	4,648	4,229	9.9%
b2 other costs	1,911	2,244	-14.8%
c Change in deferred acquisition costs	91	482	-81.1%
Profit participation and other commissions received from reinsurers	-5,098	-2,457	107.5%
(*) Investment management costs	220	271	-18.8%
Other administrative costs	5,119	4,815	6.3%
(*) a allocated overhead costs	4,908	4,756	3.2%
b other administrative costs	211	59	257.6%
Total	30,581	29,323	4.3%

(*) overhead costs as shown in the "Allocation by function" table of insurance overhead costs.

The increase in acquisition commissions reflects changes occurring in portfolio mix in both the Non-Life and Life (whole- and term-life insurance) businesses.

Employees

As at 31 March 2007 Vittoria Assicurazioni and fully consolidated companies had 471 employees vs. 462 as at 31 December 2006 and 461 as at 31 March 2007.

The average number of employees on the payroll, split by contractual category, and calculated on an active in-force basis, was as follows:

	31/03/2007	31/03/2006	31/12/2006
Managers	21	22	22
Officers	107	101	102
Administrative staff	340	340	342
Total	468	463	466

Investments – Cash & cash equivalents - Property

Investments, cash & cash equivalents, and property reached a value of € 1,783,714 thousand with an increase of € 53,545 thousand vs. 31/12/2006, i.e. +3.1%. The detailed breakdown is shown in the following table:

(in thousands of Euros)

	31/03/2007	31/12/2006	Change
INVESTMENTS - CASH AND CASH EQUIVALENTS - PROPERTY			
Investments in subsidiaries and associates and interests in joint ventures	58,055	53,194	9.1%
- Investments in subsidiaries	-	-	
- Investments in associates	58,055	53,194	
- Interests in joint ventures	-	-	
A Held to maturity investments	152,058	151,224	0.6%
Loans and receivables	17,273	19,488	-11.4%
- Reinsurance deposits	534	534	
- Other loans and receivables	16,739	18,954	
B Financial assets available for sale	1,050,243	1,010,569	3.9%
- Equity investments	65,853	64,525	
- OEIC units	8,098	8,030	
- Bonds and other fixed-interest securities	976,292	938,014	
Financial assets at fair value through profit or loss	116,186	119,458	-2.7%
C Financial assets at fair value through profit or loss	112,602	116,048	-3.0%
- Investments where policyholders bear the risk	112,602	116,048	
D Financial assets held for trading	3,584	3,410	5.1%
- Bonds and other fixed-interest securities held for trading	3,584	3,410	
Cash and cash equivalents	100,356	82,753	21.3%
E Property	269,543	273,483	-1.4%
Property under construction	233,235	232,638	
Property held for trading	20,791	25,237	
Owner-occupied property	15,517	15,608	
TOTAL INVESTMENTS	1,763,714	1,710,169	3.1%
of which			
investments where the Group bears the risk	1,651,112	1,594,121	3.6%
investments where policyholders bear the risk	112,602	116,048	-3.0%

Investments with risks borne by the Group

Investments with risks borne by the Group totalled € 1,651,112 thousand (€ 1,594,121 thousand as at 31 December 2006).

Transactions taking place during 1Q07 were as follows:

A) Held-to-maturity investments:

- Repayment of bonds for a total of € 9 thousand.

B) Available-for-sale financial assets:

- Purchase of Eurozone government securities for € 44,098 thousand
- Repayment of bonds for a total of € 5,453 thousand
- Cash-in of € 1,047 thousand relating to the process of voluntary liquidation of Marina Srl, making a profit of € 329 thousand
- Sale at cost of the equity interest in Banca Popolare Etica Soc. Coop., with cash-in of € 52 thousand.

D) Financial assets held for trading

- Acquisitions for € 214 thousand coming from redemptions and non-subscription of policies pursuant to Article 41, paragraph 2, of Italian Legislative Decree no. 209 of 7 September 2005.

Investments benefiting Life policyholders who bear related risk and those arising from pension fund management (Section C. of previous table)

As at 31 March these investments amounted to € 112,602 thousand, with a decrease of -3.0% YoY. Of this amount € 110,036 thousand related to unit- and index-linked policies and € 2,566 thousand to the open-ended pension fund Vittoria Formula Lavoro.

There was total net income of € 2,410 thousand.

The value of investments in securities amounted to € 107.279 thousand (€ 112,349 thousand as at 31 December 2006) with a decrease of -4.5% YoY.

Their breakdown was as shown in the following table:

(in thousands of Euros)

	31/03/07	31/12/06	Change %
Shares	3,985	6,879	-42.1
Unit trusts and OEICs	74,796	76,453	-2.2
Bonds and other fixed-interest securities	8,067	8,214	-1.8
Index-linked securities	20,431	20,803	-1.8
Total	107,279	112,349	-4.5

As at 31 March 2007 the status of the three segments of Vittoria Assicurazioni's open-ended pension fund was as follows:

	Members		Capital (in thousands of Euros)	
	31/03/07	31/12/06	31/03/07	31/12/06
Previdenza Garantita	23	23	292	275
Previdenza Equilibrata	37	37	348	332
Previdenza Capitalizzata	106	106	1,926	1,748

Change in securities

The following table shows the cumulative change as up to 31 March 2007 of financial assets with risk borne by Group companies (equity investments, bonds and other fixed-income securities, and CIU [collective investment undertaking] units) as well as change in assets where risk is borne by policyholders and assets relating to pension fund management.

(in thousands of Euros)

	Held to maturity investments	Financial assets available for sale				Financial assets at fair value through profit and loss	Financial assets held for trading	Total
		Equity instruments	OEIC units	Bonds and other fixed-income securities	Total	Assets linked	Bonds and other fixed-income securities	
Carrying amount at 31/12/2006	151,224	64,525	8,030	938,014	1,010,569	116,048	3,410	1,281,251
Acquisti e sottoscrizioni				44,098	44,098	907	214	45,219
Vendite e rimborsi	-9	-52		-5,453	-5,505	-5,511		-11,025
Altre variazioni:								
- scarti per interesse effettivo	469			315	315			784
- adeguamento a fair value		2,097	68	-2,764	-599	1,737	-49	1,089
- impairment					-			-
- variazione ratei	374			2,083	2,083	61	9	2,527
- altri movimenti		-718			-718	-640		-1,358
Carrying amount at 31/03/2007	152,058	65,852	8,098	976,293	1,050,243	112,602	3,584	1,318,487

Investments in property (Section E of previous table)

As at 31 March 2007 real estate assets totalled € 269,543 thousand (-1.4% vs. 31 December 2006).

The following table shows the breakdown of these real estate assets:

	(in thousands of Euros)		
	31/03/2007	31/12/2006	Change
Property under construction:			
- Gross carrying amount (*)	236,827	235,667	0.5%
- Payments on account	-3,592	-3,029	18.6%
Total property under construction	233,235	232,638	0.3%
Property held for trading	20,791	25,237	-17.6%
Owner-occupied property:			
- Held by the parent	12,331	12,397	-0.5%
- Held by subsidiaries	3,186	3,211	-0.8%
Total owner-occupied property	15,517	15,608	-0.6%
Total	269,543	273,483	-1.4%

(*) of which € 46,907 thousand refers to alignment with fair value of property assets acquired in business combinations in 2006.

Property under construction mainly consisted of € 201,876 thousand relating to the two initiatives in the Portello Area in Milan and of € 24,815 thousand relating to the Peschiera Borromeo (Milan) operation.

Held-for-trading property mainly featured sales totalling € 7,101 thousand, on which pre-tax capital gains were made totalling € 1,810 thousand.

Financial liabilities

The following table shows the breakdown of financial liabilities relating to contracts for which policyholders bear investment risk and of other financial liabilities, highlighting subordinated liabilities.

(in thousands of Euros)

FINANCIAL LIABILITIES	31/03/2007	31/12/2006	Change
Financial liabilities where the investment risk is borne by policyholders and arising from pension fund management	112,602	116,048	-3.0%
- Financial liabilities where the investment risk is borne by policyholders relating to index- and unit-linked policies	110,036	113,669	
- Financial liabilities where the investment risk is borne by policyholders relating to pension funds	2,566	2,379	
Othe financial liabilities	213,347	206,181	3.5%
- Reinsurance deposits	86,934	86,934	
- Payables to banks	101,301	91,430	
- Other financial payables	4,085	4,085	
- Other financial liabilities	5,829	7,924	
- Subordinated liabilities	15,198	15,808	
TOTAL FINANCIAL LIABILITIES	325,949	322,229	1.2%

The following table shows the cumulative change as up to 31 March 2007 of financial liabilities relating to investments for which policyholders bear investment risk and those relating to pension fund management.

(in thousands of Euros)

	Benefits relating to unit-linked and index-linked policies	Benefits relating to pension fund management	Total
Carrying amount at 31/12/2006	113,669	2,379	116,048
Investment of net fund assets	81	171	252
Profits attributable to policyholders	2,369	40	2,409
Amounts paid	-6,083	-24	-6,107
Carrying amount at 31/03/2007	110,036	2,566	112,602

Gains and losses on investments

The following table shows the breakdown as at 31 March 2007 of net gains on investments, with separate disclosure of investments where the risk is borne by life policyholders.

(in thousands of Euros)

Gains and losses on investments	Interest and other net income	Net realised gains	Unrealised gains	Unrealised losses	31/03/2007 total net realised and unrealised gains	31/03/2006 total net realised and unrealised gains	Change %
Investments	12,863	806	2,355	555	15,469	15,399	0.5%
From:							
a investment property	-	-	-	-	-	-	
b investments in subsidiaries and associates and interests in joint ventures	1,162	-	-	-	1,162	1,597	
c held to maturity investments	1,529	-	-	-	1,529	902	
d loans and receivables	135	-	-	-	135	176	
e financial assets available for sale	9,943	329	-	-	10,272	8,734	
f financial assets held for trading	10	-	6	55	-39	-3	
g financial assets at fair value through profit or loss	84	477	2,349	500	2,410	3,993	
Other receivables	123	-	-	-	123	101	21.8%
Cash and cash equivalents	761	-	-	-	761	513	48.3%
Financial liabilities	-1,383	-	-	2,410	-3,793	-5,128	-26.0%
From:							
a financial liabilities held for trading	-	-	-	-	-	-	
b financial liabilities at fair value through profit or loss	-	-	-	2,410	-2,410	-3,993	
c other financial liabilities	-1,383	-	-	-	-1,383	-1,135	
Payables	-	-	-	-	-	-	0.0%
Total gains and losses on financial instruments	12,364	806	2,355	2,965	12,560	10,885	15.4%

Real estate business

From:							
a Gains on property trading	-	2,241	-	-	2,241	4,146	
b Revenue from work in progress (percentage of completion)	271	-	-	-	271	100	
c Rent income on owner-occupied property and property held for trading	228	-	-	-	228	382	
Total real estate business	499	2,241	-	-	2,740	4,628	-40.8%

Total gains and losses on investments	12,863	3,047	2,355	2,965	15,300	15,513	-1.4%
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of which

Investments where policyholders bear the risk	84	477	2,349	-1,910	-	-	
Investment result	84	477	2,349	500	2,410	3,993	
Write-up/write-down of liabilities	-	-	-	2,410	2,410	3,993	
Investments where the Group bears the risk	12,779	2,570	6	55	15,300	15,513	

Net gains with risk borne by the Group decreased from € 15,513 thousand to € 15,300 thousand, with a -1.4% decrease vs. 1Q06. The decrease was mainly due to the lower margins posted by the real estate companies.

As up to 31 March 2005 the weighted average return on "Bonds and other fixed-income securities" was 4.3% as compared with 3.8% in 1Q06.

Other revenues

The following table reiterates real estate income, as shown in the previous table, and provides the link to total "Other revenues" as shown in the consolidated income statement.

(in thousands of Euros)		
Other income	31/03/2007	31/03/2006
Total real estate business (*)	2,740	4,628
Revenue on brokerage and management	339	901
Other technical captions - insurance business	198	490
Other income - real estate business	1	8
Other income - insurance business	88	22
Other income - service business	1	-
Total other income	3,367	6,049

(*) as in the previous table "Gains and losses on investments"

Equity

The breakdown of equity as at 31 March 2007 is shown in the following table. It includes the earnings of € 4,872 thousand that are being distributed by the direct operating company in the current month of May.

(in thousands of Euros)		
BREAKDOWN OF EQUITY	31/03/2007	31/12/2006
Total equity attributable to the shareholders of the parent	234,769	226,311
Share capital	30,452	30,452
Other equity instruments	1,229	1,229
Equity-related reserves	21,878	21,878
Income-related and other reserves	160,885	125,478
Translation reserve	-11	-2
Fair value reserve	13,668	11,847
Other gains or losses recognised directly in equity	22	22
Group profit for the year	6,646	35,407
Total equity attributable to minority interests	6,535	6,511
Share capital and reserves attributable to minority interests	6,541	5,393
Minority interests' profit for the year	-6	1,118
Total consolidated equity	241,304	232,822

Events after quarter-end

Insurance business

In May the associate company White Finance SA refunded € 2,588 thousand to the direct operating parent company as partial reimbursement of the share premium reserve.

In May the direct operating company paid € 875 thousand to the associate company Laumor Holdings Sarl as an increase of the quota premium reserve.

Real Estate and Service businesses

In April Vittoria Immobiliare SpA founded the company Vaimm Sviluppo Srl with an outlay of € 51 thousand. The company has a trading/refurbishment operation underway on prestige buildings located in Genoa.

In April the subsidiary Immobiliare Bilancio Srl transferred € 8,594 thousand to the direct operating parent company as partial reimbursement of the quota premium reserve.

In April the Extraordinary Shareholders' Meeting of Vittoria Immobiliare SpA resolved and executed a bonus capital increase of € 300 thousand. At the same time it resolved a further capital increase of € 4,100 thousand, for consideration. The shareholders' resolution also attributes powers to the Board of Directors to increase share capital, within five years, up to achievement of total share capital of € 40,000 thousand.

The Board of Directors

Milan, 11 May 2007

Consolidated Income Statement - IFRS-compliant

(Amounts in € '000)

	1st Quarter 2007	1st Quarter 2006	FY2006	
1.1	Net premiums	129,112	117,582	484,421
1.1.1	<i>Gross premiums</i>	142,487	136,535	563,601
1.1.2	<i>Ceded premiums</i>	13,375	18,953	79,180
1.2	Commission income	698	702	408
1.3	Gains and losses on remeasurement of financial instruments at fair value through profit and loss	-39	-3	8
1.4	Income from investments in subsidiaries, associates, and joint ventures	1,247	1,644	18,219
1.5	Income and gains from other financial instruments and investment property	12,820	10,426	46,990
1.5.1	<i>Interest income</i>	12,473	10,255	45,175
1.5.2	<i>Other income</i>	18	171	1,808
1.5.3	<i>Realised gains</i>	329	0	7
1.5.4	<i>Unrealised gains</i>	0	0	0
1.6	Other revenues	3,367	6,049	23,530
1	TOTAL REVENUE	147,205	136,400	573,576
2.1	Net charges relating to claims	99,963	88,661	375,909
2.1.1	<i>Amounts paid and change in technical reserves</i>	106,595	104,149	436,791
2.1.2	<i>Reinsurers' share</i>	-6,632	-15,488	-60,882
2.2	Commission expense	192	81	602
2.3	Losses on investments in subsidiaries, associates, and joint ventures	85	47	408
2.4	Expense and losses on other financial instruments and investment property	1,383	1,136	5,215
2.4.1	<i>Interest expense</i>	1,383	1,135	5,161
2.4.2	<i>Other expense</i>	0	0	0
2.4.3	<i>Realised losses</i>	0	0	9
2.4.4	<i>Unrealised losses</i>	0	1	45
2.5	Operating costs	33,025	31,751	127,559
2.5.1	<i>Commission and other acquisition costs</i>	24,353	23,456	94,474
2.5.2	<i>Investment management costs</i>	218	177	859
2.5.3	<i>Other administrative costs</i>	8,454	8,118	32,226
2.6	Other costs	1,827	2,204	12,014
2	TOTAL COSTS	136,475	123,880	521,707
	PROFIT (LOSS) FOR THE PERIOD/YEAR BEFORE TAX	10,730	12,520	51,869
3	Income tax	4,093	4,805	15,344
	PROFIT (LOSS) FOR THE PERIOD/YEAR	6,637	7,715	36,525
4	PROFIT (LOSS) ON DISCONTINUED OPERATIONS	0	0	0
	CONSOLIDATED PROFIT (LOSS)	6,637	7,715	36,525
	of which attributable to parent company shareholders	6,646	7,322	35,407
	of which attributable to minority interest	-6	393	1,118
	Base earnings per share (EPS)	0.22	0.24	1.16
	Diluted EPS	0.20	0.22	1.07

Income statement by business and business line

(in thousands of Euros)

	Non-life business		Life business		Real estate business		Service business		Intersegment eliminations		Total	
	31/03/07	31/03/06	31/03/07	31/03/06	31/03/07	31/03/06	31/03/07	31/03/06	31/03/07	31/03/06	31/03/07	31/03/06
1.1	101,532	89,702	27,580	27,880	0	0	0	0	0	0	129,112	117,582
1.1.1	113,764	107,429	28,723	29,106	0	0	0	0	0	0	142,487	136,535
1.1.2	12,232	17,727	1,143	1,226	0	0	0	0	0	0	13,375	18,953
1.2	0	0	698	702	0	0	0	0	0	0	698	702
1.3	0	0	-39	-3	0	0	0	0	0	0	-39	-3
1.4	1,245	1,644	0	0	1	0	2	0	-1	0	1,247	1,644
1.5	5,039	3,742	7,449	6,461	326	222	7	5	-1	-4	12,820	10,426
1.6	332	564	2	2	3,156	5,413	1,045	1,100	-1,168	-1,030	3,367	6,049
1	108,148	95,652	35,690	35,042	3,483	5,635	1,054	1,105	-1,170	-1,034	147,205	136,400
2.1	71,563	58,380	28,324	29,688	0	0	0	0	76	593	99,963	88,661
2.1.2	77,657	73,189	28,862	30,367	0	0	0	0	76	593	106,595	104,149
2.1.3	-6,094	-14,809	-538	-679	0	0	0	0	0	0	-6,632	-15,488
2.2	0	0	192	81	0	0	0	0	0	0	192	81
2.3	85	47	0	0	0	0	0	0	0	0	85	47
2.4	271	332	399	465	713	341	1	1	-1	-4	1,383	1,135
2.5	25,280	26,500	5,301	2,823	2,641	2,502	971	956	-1,168	-1,030	33,025	31,751
2.6	1,688	2,023	23	15	106	143	10	24	0	0	1,827	2,205
2	98,887	87,282	34,239	33,072	3,460	2,986	982	981	-1,093	-441	136,475	123,880
	9,261	8,370	1,451	1,970	23	2,649	72	124	-77	-593	10,730	12,520

Detail of insurance technical items

(in thousands of Euros)

	31/03/2007			31/03/2006		
	Gross amount	Reinsurer's share of amount	Net amount	Gross amount	Reinsurers' share of amount	Net amount
Non-life business						
NET PREMIUMS						
a Premiums written	113,764	12,232	101,532	107,429	17,727	89,702
b Change in premiums reserve	114,705	12,574	102,131	105,730	17,603	88,127
	941	342	599	-1,699	-124	-1,575
NET CLAIMS COSTS	77,657	6,094	71,563	73,189	14,809	58,380
a Amounts paid	68,595	9,813	58,782	70,720	12,253	58,467
b Change in claims reserves	12,069	-3,935	16,004	4,190	2,660	1,530
c Change in recoveries	3,098	-216	3,314	1,813	104	1,709
d Change in other technical reserves	91	0	91	92	0	92
Life business						
NET PREMIUMS						
	28,723	1,143	27,580	29,106	1,226	27,880
NET CLAIMS COSTS	28,862	538	28,324	30,367	679	29,688
a Amounts paid	20,715	1,080	19,635	19,926	777	19,149
b Change in reserve for amounts to be paid	-6,327	0	-6,327	-7,325	0	-7,325
c Change in mathematical reserves	13,281	-544	13,825	17,814	-101	17,915
d Change in technical reserves when investment risk is borne by policyholders and in reserves arising from pension fund management	0	0	0	0	0	0
e Change in other technical reserves	1,193	2	1,191	-48	3	-51

For the purposes of fuller disclosure of insurance operating performance, below we present the direct operating parent company's reclassified income statement, prepared in accordance with Italian GAAPs.

Reclassified Income Statement Vittoria Assicurazioni SpA - Italian GAAPs

(Amounts in € '000)

	1st Quarter 2007	1st Quarter 2006	FY2006
TECHNICAL ACCOUNT			
Life business:			
Direct insurance			
(+) Gross premiums written	29,310	29,311	131,703
(-) Charges relating to claims	19,577	19,803	107,866
(-) Change in mathematical reserves and other technical reserves	11,926	14,191	44,074
(+) Net balance of other technical captions	199	227	940
(-) Operating costs	5,390	2,965	14,632
net			
of portion transferred to non-technical account	6,386	5,594	27,839
(+) Income from investments where risk is borne by policyholders - Class D	2,409	3,993	10,917
Direct insurance results	1,411	2,166	4,827
Outward reinsurance result	-474	-347	271
Retained direct insurance result	937	1,819	5,098
Indirect and retroceded insurance result	-16	-5	-41
Result of Life technical account	921	1,814	5,057
Non-Life business:			
Direct insurance			
(+) Gross premiums written	114,619	105,412	454,560
(-) Change in premiums reserve	1,135	-1,629	7,613
(-) Charges relating to claims	77,665	73,084	313,510
(-) Change in other technical reserves	91	92	463
(+) Net balance of other technical captions	-408	-557	-1,687
(-) Operating costs	30,235	28,509	116,374
Direct insurance results	5,085	4,799	14,913
Outward reinsurance result	-1,003	-508	-4,778
Retained direct insurance result	4,082	4,291	10,135
Indirect and retroceded insurance result	88	115	233
Total retained insurance result	4,170	4,406	10,368
(-) Change in equalisation reserve	66	64	271
(+) Portion of investment income transferred from non-technical account	3,335	2,527	20,895
Result of Non-Life technical account	7,439	6,869	30,992
Result of technical account	8,360	8,683	36,049
(+) Income from Non-Life investments net of portion transferred to technical account	799	590	4,999
(+) Portion of investment income transferred From Life technical account	574	338	2,496
(+) Other income	641	412	1,932
(-) Other costs	1,236	1,167	7,383
Result of ordinary operations	9,138	8,856	38,093
(+) Extraordinary income	329	10	360
(-) Extraordinary charges	4	6	248
Profit before tax	9,463	8,860	38,205
(-) Taxation of profit	3,951	3,752	10,768
Net profit	5,512	5,108	27,437

The Board of Directors

Milan, 11 May 2007