



Vittoria Assicurazioni

PRESS RELEASE

FY2009 results– FY2010 targets

Consolidated financial statements (IFRSs)

- Net Profit attributable to parent company shareholders: € 16.9 million (-16.1%)
- Comprehensive Income: € 33.3 million (+88.9%)
- Equity: € 356.1 million (+6.7%)

Financial statements of the parent Vittoria Assicurazioni SpA (Italian GAAPs)

- Net Profit: € 24.3 million (-36.0%)
- Shareholders' equity: € 272.9 million (+5.1%)
- Proposed dividend: € 0.17 per share (€ 0.17 in 2008)
- Total premiums: € 671.3 million (+6.4%)
- Life premiums, direct business: € 129.3 million (+12.9%)
- Non-life premiums, direct business: € 541.5 million (+5.0%)
- Non-life retained business claims ratio: 73.4% (72.1% in 2008)
- Non-life retained business combined ratio: 99.6% (99.1% in 2008)

FY2010 targets

- Profit attributable to parent company shareholders: € 27 million

The Board of Directors of Vittoria Assicurazioni, which met today, reviewed FY2009 results.

At the AGM the Board will propose to distribute a dividend of € 0.17 per share, in line with that of the previous FY. The dividend will be payable as from 13 May 2010 with detachment of coupon no. 28 on 10 May 2010.

Consolidated results (IFRS-compliant)

Profit attributable to parent company shareholders reported in consolidated financial statements was € 16.9 million (mn) (-16.1% vs. FY2008 profit, which amounted to € 20.2 million).

The Group's Comprehensive Income as at 31 December 2009 amounted to € 33.3 mn (+88.9% vs. € 17.6 mn reported at 31 December 2008). This indicator includes all income components recognised in the FY and therefore, besides those included in the year's earnings (in the separate income statement), also those recognised in equity (changes in latent capital gains on available-for-sale financial assets and currency translation reserves, etc., net of tax effects).

Equity attributable to parent company shareholders amounted to € 356.1 mn, up by 6.7%.

Insurance profit, before intercompany adjustments and excluding the contribution of investee companies, decreased from € 28.9 mn to € 27.1 mn (-6.2%).

The Group's real estate business featured a pre-tax loss of € -1.1 mn (vs. € -0.5 mn in FY2008) due to market slowdown, and to the progress of activities currently underway, which are primarily focused on development and promotion operations (medium/long-term) rather than on trading operations (short-term). Related income will thus be achieved over a longer time span.

Total insurance revenues in the year ended on 31 December 2009 amounted to € 671.3 mn (+6.4% vs. revenues of € 630.7 mn in FY2008).

Life premiums for direct business amounted to € 126.4 mn, growing by 14.8% YoY. The increase in premiums was above all due to agencies' business generation efforts, strengthened also by the contribution of the book acquired following acquisition of the life business of SACE BT SpA.

Non-Life premiums for direct business totalled € 541.5 mn, with growth of 5.0% YoY.

Motor premiums grew by 7.5%. Contributors to growth were the constant attention dedicated to affinity groups and major strengthening of the commercial organisation with the opening of 32 new agencies.

Premiums for other Non-Life branches amounted to € 161.6 mn, slipping by -0.4%.

Of total investments of € 2,094.0 mn (+6.9%), € 79.6 mn (+13.6%) related to investments with risk borne by policyholders and € 2,014.4 mn to investments with risk borne by the Group (+6.6% YoY).

Net income from investments with risk borne by the Group amounted to € 52.1 mn vs. € 52.3 mn in FY2008 (-0.5%). Shrinkage of income was substantially due to the reduction of the rates of return in the financial market.

The real estate business featured net debt of € -250.4 mn (€ -188.5 mn as at 31/12/2008). The increase in debt was due both to development of initiatives currently underway and to those acquired during the year.

Financial statements of the parent company Vittoria Assicurazioni SpA (Italian GAAPs).

The profit of the parent company Vittoria Assicurazioni SpA – based on Italian GAAPs – amounted to € 24.3 mn (-36.0% vs. the previous year's profit of € 37.9 mn).

The parent company's Shareholders' Equity amounted to € 272.9 mn (+5.1% vs. 31 December 2008).

Total premiums amounted to € 671.3 mn, with a 6.4% YoY increase.

Premiums for direct Life business amounted to € 129.3 mn (+12.9%).

Premiums for direct Non-Life business amounted to € 541.4 mn, with a 5.0% YoY increase.

The claims ratio¹ and the combined ratio² relating to retained Non-Life business, were respectively 73.4% and 99.6% vs. 72.1% and 99.1% in FY2008.

¹ Claims for the year / premiums for the year for retained business

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

Overhead costs as a share of the period's premiums decreased from 10.0% to 9.7%. This result should be read in the light of the higher costs connected with implementation of the 5-year plan, which envisages development and reinforcement of internal units to support the projected increase of agency and sub-agency sales networks.

FY2010 Targets

The Board also reviewed the Vittoria Assicurazioni Group's FY2010 targets, which envisage profit attributable to parent company shareholders of €27 mn.

The target takes IFRIC 15 (Agreements for the Construction of Real Estate) into account. This defers recognition of real estate margins to the date of the notarial deed of sale instead of recognising them according to percentage of completion.

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, 9 March 2010

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Attachments: individual and consolidated reclassified balance sheets, income statements, and cash flow statements, pending issue of the reports of the independent auditor and Board of 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 whole of Italy via an extensive commercial network featuring over 290 agencies, 460 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.

Vittoria Assicurazioni Spa - Local GAAPs

Reclassified balance sheet

(€/000)

ASSETS	31/12/2009	31/12/2008
Investments		
Land and buildings	18,872	18,837
Investments in group and other companies		
- Equity investments	234,104	223,432
- Loans	3,064	3,161
Other financial investments:		
- Unit trust units	6,496	6,785
- Bonds and other fixed-interest securities	1,251,304	1,183,659
- Loans	11,308	12,487
- Other financial investments + Deposits with banks	1,038	10,000
Deposits with ceding companies	280	404
Investments benefiting life policyholders	75,800	69,467
Total investments	1,602,266	1,528,232
Receivables		
Receivables relating to direct insurance business from:		
- Policyholders	51,474	48,469
- Insurance brokers and agents	54,036	56,935
- Current account companies	10,846	12,331
- Amounts to be recovered from policyholders and third parties	36,031	28,895
Receivables relating to reinsurance business	5,303	6,230
Other receivables	28,656	19,897
Total receivables	186,346	172,757
Intangible assets	38,934	29,671
Tangible assets and inventory	3,009	3,212
Liquid funds	44,779	33,976
Other assets	16,159	14,077
Prepayments and accrued income	18,356	20,784
TOTAL ASSETS	1,909,849	1,802,709

Vittoria Assicurazioni Spa - Local GAAPs

Reclassified balance sheet

(€/000)

LIABILITIES AND SHAREHOLDERS' EQUITY	31/12/2009	31/12/2008
Shareholders' equity		
- Share capital	65,789	65,766
- Share premium reserve	31,129	31,098
- Revaluation reserves	10,939	10,887
- Legal reserve	8,430	6,533
- Other reserves	132,316	107,454
- Net profit (loss) for the year	24,290	37,939
Total shareholders' equity	272,893	259,677
Subordinated liabilities	4,107	4,161
Technical reserves, net of reinsurance		
- Premium reserve	220,349	206,708
- Claims reserve	505,234	472,681
- Mathematical reserves	701,973	655,326
- Reserve for amounts payable	22,931	22,180
- Other technical reserves	19,038	18,017
- Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	75,800	69,467
Total technical reserves	1,545,325	1,444,379
Payables		
Deposits from reinsurers	23,554	28,258
Payables arising from direct insurance business due to:		
- Insurance brokers and agents	3,651	5,017
- Current account companies	2,496	2,439
- Guarantee deposits and premiums paid by policyholders	199	224
- Guarantee funds in favour of policyholders	752	546
Payables arising from reinsurance business	7,451	8,233
Other sums payable	30,326	28,003
Total payables	68,429	72,720
Provisions for contingencies and other charges	1,263	1,365
Employees' leaving entitlement	4,392	4,650
Other liabilities	13,183	15,480
Accrued expenses and deferred income	257	277
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,909,849	1,802,709

Vittoria Assicurazioni Spa - Local GAAPs

Reclassified Income Statement

(€/000)

	31/12/2009	31/12/2008
Technical account		
Life businesses:		
Direct insurance		
(+) Gross premiums accounted for	129,293	114,510
(-) Charges relating to claims	115,572	135,027
(-) Change in mathematical and other technical reserves	33,500	-42,662
(+) Other technical captions, net	351	495
(-) Operating costs	17,820	20,521
(+) Return on investments where the company bears the risk net of the portion transferred to the non-technical account	29,264	26,417
(+) income on investments where policyholders bear the risk - Class D	14,666	-20,395
Direct insurance result	6,682	8,141
Outwards reinsurance result	288	-66
Retained direct insurance result	6,970	8,075
Indirect and retroceded insurance result	-40	-69
Result of life business technical account	6,930	8,006
Non-life businesses:		
Direct insurance		
(+) Gross premiums accounted for	541,519	515,706
(-) Change in premium reserve	13,981	14,457
(-) Charges relating to claims	397,494	359,017
(-) Change in other technical reserves	-	482
(+) Other technical captions, net	404	867
(-) Operating costs	134,369	132,190
Direct insurance result	-3,921	10,427
Outwards reinsurance result	10,105	-2,655
Retained direct insurance result	6,184	7,772
Indirect and retroceded insurance result	174	155
Total retained direct insurance result	6,358	7,927
(-) Change in equalisation reserves	311	287
(+) Income on investments transferred from the non-technical account	17,118	30,262
Result of non-life business technical account	23,165	37,902
Result of technical account	30,095	45,908
(+) Income on non-life business investments net of the portion transferred to the technical account	4,321	7,034
(+) Income on investments transferred from the life business technical account	3,768	-
(+) Other income	2,944	3,826
(-) Other charges	6,628	4,848
Result of ordinary business	34,500	51,920
(+) Extraordinary income	709	1,040
(-) Extraordinary expense	149	168
Profit (loss) before taxation	35,060	52,792
(-) Taxation on profit for the year	10,770	14,853
Net profit (loss)	24,290	37,939

Vittoria Assicurazioni Spa - Local GAAPs

Statement of source and application of funds

(€/000)

	31/12/2009	31/12/2008
SOURCE OF FUNDS		
Net profit for the year	24,290	37,939
Positive or negative adjustments relating to unsettled positions:		
Net increase (+) decrease (-) in:		
claims reserve	33,304	20,007
premium reserve	13,951	24,340
non-life business technical reserves	53,690	-43,545
Increase (-) Decrease (+) in receivables from policyholders	-3,005	4,648
Net increase (-) decrease (+) in agent, reinsurer and coinsurer balances	-1,361	-31,833
Net increase (-) decrease (+) in intangible assets	-9,263	-1,829
Increase in specific provisions	-102	-783
Employees' leaving entitlement:		
accruals	1,724	1,618
utilisation	-1,982	-2,346
Increase (-) decrease (+) in other receivables, sundry assets and accrued income	-15,346	-10,840
Increase (+) decrease (-) in other sums payable, other liabilities and accrued expenses	186	1,834
Adjustments to securities	-2,483	6,698
Property revaluation reserve	-	10,887
Adjustments to class D securities	-4,449	7,572
Funds generated by ordinary activities	89,154	24,367
Disposal of fixed assets	-	567
Subordinated loan	55	-
Sale of bonds and other fixed-interest securities	177,119	206,777
Sale of equity investments	8,293	8,139
Sale of unit trusts	5,290	5,070
Sale of class D	21,905	40,219
Repayment of loans and borrowings	4,932	3,528
Other financial disinvestments	10,000	-
Funds generated by disinvesting activities	227,594	264,300
Total funds generated	316,748	288,667

Vittoria Assicurazioni Spa - Local GAAPs
Statement of source and application of funds

(€/000)

	31/12/2009	31/12/2008
APPLICATION OF FUNDS		
Buildings	35	-
Fixed-interest securities	241,787	219,461
Investments	19,459	37,042
Unit trusts	5,000	-
Other financial investments	1,039	10,000
Class D investments	23,789	21,926
Loans to third parties	3,656	7,010
Previous year's dividend distributed	11,180	5,553
Total application of funds	305,945	300,992
Increase/decrease in liquid funds	10,803	-12,325
TOTAL	316,748	288,667
Liquid funds at the beginning of the year	33,976	46,301
Liquid funds at the end of the year	44,779	33,976

BALANCE SHEET - ASSETS

(€/000)

	Note	31/12/2009	31/12/2008
1 INTANGIBLE ASSETS		31,940	21,437
1.1 Goodwill	1	1,795	0
1.2 Other intangible assets	2	30,145	21,437
2 PROPERTY, PLANT AND EQUIPMENT		443,125	386,075
2.1 Property	2	438,984	381,771
2.2 Other items of property, plant and equipment	2	4,141	4,304
3 REINSURERS' SHARE OF TECHNICAL RESERVES	3	74,226	66,088
4 INVESTMENTS		1,588,151	1,480,449
4.1 Investment property		0	0
4.2 Investments in subsidiaries and associates and interests in joint ve	4	99,898	95,653
4.3 Held to maturity investments	5	94,717	104,858
4.4 Loans and receivables	5	43,227	44,806
4.5 Financial assets available for sale	5	1,264,299	1,160,251
4.6 Financial assets at fair value through profit or loss	5	86,010	74,881
5 OTHER RECEIVABLES		196,542	175,137
5.1 Receivables relating to direct insurance	6	151,404	144,869
5.2 Receivables relating to reinsurance business	7	5,303	6,230
5.3 Other receivables	8	39,835	24,038
6 OTHER ASSETS		66,667	66,566
6.1 Non-current assets or assets of a disposal group classified as held for sale		0	0
6.2 Deferred acquisition costs	9	7,154	8,168
6.3 Deferred tax assets	10	21,306	19,196
6.4 Current tax assets	11	33,782	34,675
6.5 Other assets	12	4,425	4,527
7 CASH AND CASH EQUIVALENTS	13	66,895	97,488
TOTAL ASSETS		2,467,546	2,293,240

Vittoria Assicurazioni S.p.A.
Consolidated financial statements as at 31 December 2009
BALANCE SHEET - EQUITY AND LIABILITIES

(€/000)

	Note	31/12/2009	31/12/2008
1 EQUITY		382,923	363,092
1.1 attributable to the shareholders of the parent		356,056	333,846
1.1.1 Share capital	14	65,789	65,766
1.1.2 Other equity instruments	14	319	323
1.1.3 Equity-related reserves	14	31,412	31,378
1.1.4 Income-related and other reserves	14	216,124	207,129
1.1.5 (Treasury shares)	14	0	0
1.1.6 Translation reserve	14	-197	-757
1.1.7 Fair value reserve	14	25,635	9,888
1.1.8 Other gains or losses recognised directly in equity	14	50	-51
1.1.9 Profit for the year attributable to the shareholders of the parent		16,924	20,170
1.2 attributable to minority interests	14	26,867	29,246
1.2.1 Share capital and reserves attributable to minority interests		27,502	29,336
1.2.2 Gains or losses recognised directly in equity		0	0
1.2.3 Profit for the year attributable to minority interests		-635	-90
2 PROVISIONS	15	3,021	3,758
3 TECHNICAL RESERVES	16	1,556,341	1,448,844
4 FINANCIAL LIABILITIES		399,414	361,275
4.1 Financial liabilities at fair value through profit or loss	17	79,610	70,100
4.2 Other financial liabilities	17	319,804	291,175
5 PAYABLES		64,216	64,703
5.1 Payables arising from direct insurance business	18	7,098	8,226
5.2 Payables arising from reinsurance business	19	7,451	8,233
5.3 Other sums payable	20	49,667	48,244
6 OTHER LIABILITIES		61,631	51,568
6.1 Liabilities of a disposal group held for sale		0	0
6.2 Deferred tax liabilities	21	33,607	27,555
6.3 Current tax liabilities	22	230	933
6.4 Other liabilities	23	27,794	23,080
TOTAL EQUITY AND LIABILITIES		2,467,546	2,293,240

(€000)

INCOME (LOSS) STATEMENT		Note	31/12/09	31/12/08
1.1	Net premiums		622,350	578,884
1.1.1	<i>Gross premiums</i>	24	654,736	612,086
1.1.2	<i>Ceded premiums</i>	24	32,386	33,202
1.2	Commission income	25	827	1,146
1.3	Gains or losses on remeasurement of financial instruments at fair value through profit or loss	26	230	-43
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	26	1,523	9,022
1.5	Gains on other financial instruments and investment property	26	49,907	46,990
1.5.1	<i>Interest income</i>		49,503	60,162
1.5.2	<i>Other income</i>		206	1,063
1.5.3	<i>Realised gains</i>		200	1,335
1.5.4	<i>Unrealised gains</i>		-2	4
1.6	Other income	27	17,724	15,609
1	TOTAL REVENUE		692,561	573,576
2.1	Net charges relating to claims		492,450	375,909
2.1.1	<i>Amounts paid and change in technical reserves</i>	24	526,718	466,058
2.1.2	<i>Reinsurers' share</i>	24	-34,268	-21,496
2.2	Commission expense	28	155	197
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	26	2,720	2,978
2.4	Losses on other financial instruments and investment property	26	5,492	22,951
2.4.1	<i>Interest expense</i>		4,900	7,696
2.4.2	<i>Other expense</i>		0	0
2.4.3	<i>Realised losses</i>		97	221
2.4.4	<i>Unrealised losses</i>		495	15,034
2.5	Operating costs		150,259	151,860
2.5.1	<i>Commissions and other acquisition costs</i>	29	120,549	122,112
2.5.2	<i>Investment management costs</i>	29	747	873
2.5.3	<i>Other administrative costs</i>	29	28,963	28,875
2.6	Other costs	30	13,465	9,479
2	TOTAL COSTS		664,541	521,707
	PROFIT FOR THE YEAR BEFORE TAXATION		28,020	51,869
3	Income taxes	31	11,731	15,075
	PROFIT FOR THE YEAR		16,289	36,525
4	GAIN (LOSS) ON DISCONTINUED OPERATIONS		0	0
	CONSOLIDATED PROFIT (LOSS)		16,289	36,525
	of which attributable to the shareholders of the parent		16,924	20,170
	of which attributable to minority interests	14	-635	-90

Basic EARNINGS per share		0.26	0.31
Diluted EARNINGS per share		0.25	0.30

OTHER COMPREHENSIVE INCOME (LOSS)		31/12/2009	31/12/2008
	CONSOLIDATED PROFIT (LOSS)	16,289	20,080
	Translation reserve	560	-802
	Fair value reserve	15,747	-1,607
	Hedging reserve	0	0
	Gains or losses on hedging instruments of net investment in foreign operations	0	0
	Reserve for changes in the equity of investees	101	-113
	Intangible asset revaluation reserve	0	0
	Property, plant and equipment revaluation reserve	0	0
	Gains or losses on non-current assets or assets of a disposal group classified as held for sale	0	0
	Other reserves	0	0
	OTHER COMPREHENSIVE INCOME (LOSS) NET OF TAX	16,408	-2,522
	COMPREHENSIVE INCOME (LOSS)	32,697	17,558
	of which attributable to the shareholders of the parent	33,332	17,648
	of which attributable to minority interests	-635	-90

STATEMENT OF SOURCES AND APPLICATION OF FUNDS

(€/000)

	31/12/2009	31/12/2008
Profif for the year before taxation	28,020	35,155
Change in non-monetary items	106,892	14,394
Change in non-life premium reserve	13,423	23,388
Change in claims reserve and other non-life technical reserves	32,553	29,028
Change in mathematical reserves and other life technical reserves	53,383	-21,020
Change in deferred acquisition costs	1,014	2,005
Change in provisions	-737	-308
Non-monetary gains and losses on financial instruments, investment property and investments in subsidiaries and associates and interests in joint ventures	-1,692	-8,990
Other changes	8,948	-9,709
Change in receivables and payables arising from operating activities	-21,892	-29,566
Change in receivables and payables relating to direct insurance and reinsurance	-7,518	1,083
Change in other receivables and payables	-14,374	-30,649
Taxes paid	-11,731	-15,075
Net cash flow generated by/used for monetary items from investing and financing activities	-1,619	189
Liabilities from financial contracts issued by insurance companies	9,510	-34,144
Payables to bank and interbank customers	0	0
Loans and receivables from bank and interbank customers	0	0
Other financial instruments at fair value through profit or loss	-11,129	34,333
NET CASH FLOW FROM OPERATING ACTIVITIES	99,670	5,097
Net cash flow generated by/used for investment property	0	0
Net cash flow generated by/used for investments in subsidiaries and associated companies and interests in joint ventures	-2,947	7,489
Net cash flow generated by/used for loans and receivables	1,579	-1,213
Net cash flow generated by/used for held to maturity investments	10,141	68,248
Net cash flow generated by/used for financial assets available for sale	-87,806	-50,664
Net cash flow generated by/used for property, plant and equipment	-67,553	-25,664
Other net cash flows generated by/used for investing activities	0	0
NET CASH FLOW FROM INVESTING ACTIVITIES	-146,586	-1,804
Net cash flow generated by/used for equity instruments attributable to the shareholders of the parent	0	0
Net cash flow generated by/used for treasury shares	0	0
Dividends distributed to the shareholders of the parent	-11,180	-5,553
Net cash flow generated by/used for share capital and reserves attributable to minority interests	-1,126	23,359
Net cash flow generated by/used for subordinated liabilities and equity instruments	0	0
Net cash flow generated by/used for other financial liabilities	28,629	7,122
NET CASH FLOW FROM FINANCING ACTIVITIES	16,323	24,928
Effect of exchange rate gains/losses on cash and cash equivalents	0	0
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	97,488	69,267
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-30,593	28,221
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	66,895	97,488