



Vittoria Assicurazioni

PRESS RELEASE

2011 first-half results

Group consolidated results

- Net Group Profit: € 16.6 million (+60.1%)
- Total insurance revenue: € 451.8 million (+13.4%)
- Confirmation of 2011 profit targets

Results of the parent company Vittoria Assicurazioni S.p.A.

- Net profit: € 20.1 million (+87.9%)
- Life premiums: € 58.8 million (-30.0%)
- Non-Life premiums: € 392.7 million (+24.8%)
- Non-life loss ratio: 69.8% (73.5% in first half of 2010)
- Non-Life combined ratio: 96.8% (99.7% in first half of 2010)

Summoning of the Shareholders' Meeting

- Ordinary Shareholders' Meeting on 30th September 2011 for the integration of the Board of Statutory Auditors

The Board of Directors of Vittoria Assicurazioni, which met today, has reviewed the results relating to the first half of 2011 (1H11).

Consolidated results (IFRS GAAP)

Results for 1H11 show a Group net profit (i.e. profit attributable to parent company shareholders) of € 16.6 million (mn) vs. € 10.4 mn in the same period in 2010 (1H10) (+60.1%), despite the presence of a higher tax charge, amounting to € 1.3 mn, due to the recent government fiscal measures.

The growth reported was due to the increase of insurance net profit (excluding income from subsidiaries and associated companies) from € 10.1 mn to € 19.0 mn, thanks to improvement of Non-Life technical performance, achieved despite the significant additional

costs relating to the insurance portfolio development, and to the realization of capital gains of € 6.7 mn on the sale of French and Italian government bonds.

Total insurance revenues in 1H11 amounted to € 451.8 mn (+13.4% vs. 1H10, which amounted to € 398.5 mn).

The real estate segment contributed a loss of € -0.6 mn to the Group bottom-line result as opposed to the profit of € 2.0 mn achieved in 1H10.

Of total investments of € 2,187.4 mn (+2.0% vs. the situation as at 31 December 2010), € 76.1 mn (-22.1%) related to investments with risk borne by policyholders and € 2,111.3 mn (+2.2%) to investments with risk borne by the Group.

Net income from investments with risk borne by the Group amounted to € 33.7 mn as opposed to € 31.9 mn in 1H10 (+5.6%).

Vittoria Assicurazioni Group, pending final developments in the negotiations between the European Union, the Greek government and private investors, did not impair the Greek bonds held. It seems appropriate to point out that, thanks to the limited exposure to Greece, the potential impairment of the Greek bonds due to the alignment to the recovery rates discussed in the ongoing negotiations would lead to an impact of less than 0.3 million euros on the Group's accounts.

Private equity investments made by associate companies led to a loss of € -0.3 mn (vs. a loss of € -1.2 mn in 1H10).

Equity attributable to parent company shareholders amounted to € 355.8 mn, with an increase of 0.3% vs. the amount of € 354.8 mn reported as at 31 December 2010. The figure reflects the lower amount of unrealized gains on available for sale financial instruments.

Based on the period's performance, the Company confirms the consolidated bottom-line target already disclosed.

Results of the Parent Company Vittoria Assicurazioni S.p.A. (as per Italian GAAPs)

Results for 1H11 show a net profit of € 20.1 mn (vs. € 10.7 mn in 1H10) with an increase of 87.9%.

Global premiums written amounted to € 451.8 mn with a 13.4% increase over 1H10:

- Life premiums for direct business (€ 58.8 mn) decreased by -30.0% vs. 1H10. Recurring periodic premiums accounted for 31.6% of premiums written, while single premiums accounted for 68.4%;
- Non-Life premiums for direct business (€ 392.7 mn) increased overall by 24.8% vs. 1H10;
- Motor premiums (€ 299.6 mn) increased by 28.7%;
- Non-Marine premiums (€ 83.2 mn) increased by 17.6%, whereas Specialty premiums decreased by -10.9% to € 9.9 mn.

The Non-Life loss ratio for retained business was 69.8% (vs. 73.5% in 1H10)¹.

The Non-Life combined ratio² improved from 99.7% to 96.8%.

In 1H11 overhead costs³ as a percentage of premiums written decreased to 8.7% from 9.1% in 1H10.

The Parent Company's equity amounted to € 303.4 mn (€ 294.8 mn as at 31 December 2010).

Merger of Lauro 2000 S.r.l. into Vittoria Assicurazioni S.p.A.

The Board of Directors also approved the plan for the merger of the wholly owned subsidiary Lauro 2000 S.r.l. in Vittoria Assicurazioni S.p.A., having obtained the due authorization by the ISVAP (Italian insurance regulator). The merger procedure will be completed during the second half of the year (2H11), with accounting and tax effects backdated to 1 January 2011. Lauro 2000 S.r.l. owns the building currently used by the Parent Company as its registered HQ and two further buildings under construction, for the services segment, earmarked for sale on the market when they are completed.

Summoning of the Ordinary Shareholders' Meeting for the integration of the Board of the Statutory Auditors

The Board of Directors has summoned the ordinary Shareholders' Meeting on 30th September 2011, in order to integrate the Board of Statutory Auditors, following the

¹ Claims/earned premiums (retained business)

² (Claims + operating expenses + amortisation of intangible assets + technical accounts) / earned premiums

³ Total amount of labour cost, miscellaneous expenses and portions of amortization before allocation to specific functions.

resignment of Mr. Sergio Vasconi, Chairman of the Board of Statutory Auditors, for health reasons, with effect from the date of the aforementioned Shareholders' meeting.

The Corporate Financial Reporting Manager of Vittoria Assicurazioni SpA, 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, 29 July 2011

Contact: Andrea Acutis – Executive Vice President

Tel: (+ 39) 02 48 219 006

e-mail: IR@vittoriaassicurazioni.it

www.vittoriaassicurazioni.com

Attachments:

- Consolidated balance sheet and income statement; reclassified individual income statement (as per Italian GAAPs), the documentation of which has been given to the Board of Statutory Auditors. The firm BDO S.p.A. is completing the limited independent audit.

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 330 agencies and 580 sub-agencies. Vittoria's mission is to be the elective insurer of families and small and medium enterprises.

BALANCE SHEET - ASSETS

		30/06/2011	31/12/2010
1	INTANGIBLE ASSETS	39,149	36,411
1.1	Goodwill	1,795	1,795
1.2	Other intangible assets	37,354	34,616
2	PROPERTY, PLANT AND EQUIPMENT	472,800	467,593
2.1	Property	461,234	458,293
2.2	Other items of property, plant and equipment	11,566	9,300
3	REINSURERS' SHARE OF TECHNICAL RESERVES	70,793	73,579
4	INVESTMENTS	1,637,720	1,592,060
4.1	Investment property	0	0
4.2	Investments in subsidiaries and associates and interests in joint ve	106,201	102,616
4.3	Held to maturity investments	96,564	96,334
4.4	Loans and receivables	40,234	43,778
4.5	Financial assets available for sale	1,312,657	1,265,971
4.6	Financial assets at fair value through profit or loss	82,064	83,361
5	OTHER RECEIVABLES	198,668	225,700
5.1	Receivables relating to direct insurance	170,713	180,731
5.2	Receivables relating to reinsurance business	4,917	3,638
5.3	Other receivables	23,038	41,331
6	OTHER ASSETS	75,411	63,847
6.1	Non-current assets or assets of a disposal group classified as held for sale	0	0
6.2	Deferred acquisition costs	7,373	7,170
6.3	Deferred tax assets	33,355	28,785
6.4	Current tax assets	26,037	21,742
6.5	Other assets	8,646	6,150
7	CASH AND CASH EQUIVALENTS	88,495	93,797
	TOTAL ASSETS	2,583,036	2,552,987

Vittoria Assicurazioni S.p.A.
Consolidated interim financial statements as at 30 June 2011
BALANCE SHEET - EQUITY AND LIABILITIES

		30/06/2011	31/12/2010
1	EQUITY	382,213	380,945
1.1	attributable to the shareholders of the parent	355,775	354,837
1.1.1	Share capital	67,379	67,379
1.1.2	Other equity instruments	0	23
1.1.3	Equity-related reserves	33,874	33,874
1.1.4	Income-related and other reserves	234,505	218,888
1.1.5	(Treasury shares)	0	0
1.1.6	Translation reserve	148	148
1.1.7	Fair value reserve	3,259	7,368
1.1.8	Other gains or losses recognised directly in equity	-16	106
1.1.9	Profit for the year attributable to the shareholders of the parent	16,626	27,051
1.2	attributable to minority interests	26,438	26,108
1.2.1	Share capital and reserves attributable to minority interests	25,955	25,445
1.2.2	Gains or losses recognised directly in equity	0	0
1.2.3	Profit for the year attributable to minority interests	483	663
2	PROVISIONS	3,131	2,772
3	TECHNICAL RESERVES	1,703,168	1,653,851
4	FINANCIAL LIABILITIES	363,967	380,514
4.1	Financial liabilities at fair value through profit or loss	76,080	77,689
4.2	Other financial liabilities	287,887	302,825
5	PAYABLES	75,260	78,861
5.1	Payables arising from direct insurance business	9,049	8,342
5.2	Payables arising from reinsurance business	12,032	9,041
5.3	Other sums payable	54,179	61,478
6	OTHER LIABILITIES	55,297	56,044
6.1	Liabilities of a disposal group held for sale	0	0
6.2	Deferred tax liabilities	25,323	26,628
6.3	Current tax liabilities	2,045	943
6.4	Other liabilities	27,929	28,473
	TOTAL EQUITY AND LIABILITIES	2,583,036	2,552,987

INCOME (LOSS) STATEMENT		30/06/2011	30/06/2010	31/12/2010
1.1	Net premiums	407,933	359,610	732,692
1.1.1	<i>Gross premiums</i>	419,281	368,011	767,508
1.1.2	<i>Ceded premiums</i>	11,348	8,401	34,816
1.2	Commission income	562	430	839
1.3	Gains or losses on remeasurement of financial instruments at fair value through profit or loss	124	-110	279
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	1,026	203	547
1.5	Gains on other financial instruments and investment property	32,951	46,990	46,990
1.5.1	<i>Interest income</i>	25,614	25,049	50,550
1.5.2	<i>Other income</i>	185	344	837
1.5.3	<i>Realised gains</i>	7,153	267	2,423
1.5.4	<i>Unrealised gains</i>	-1	0	100
1.6	Other income	9,147	17,444	25,476
1	TOTAL REVENUE	451,743	573,576	573,576
2.1	Net charges relating to claims	304,494	375,909	375,909
2.1.1	<i>Amounts paid and change in technical reserves</i>	305,772	286,355	583,525
2.1.2	<i>Reinsurers' share</i>	-1,278	-716	-16,867
2.2	Commission expense	34	54	64
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	2,175	2,375	4,896
2.4	Losses on other financial instruments and investment property	3,135	1,928	4,103
2.4.1	<i>Interest expense</i>	2,032	1,928	3,969
2.4.2	<i>Other expense</i>	0	0	0
2.4.3	<i>Realised losses</i>	5	0	134
2.4.4	<i>Unrealised losses</i>	1,098	0	0
2.5	Operating costs	98,055	85,309	177,277
2.5.1	<i>Commissions and other acquisition costs</i>	81,190	71,159	144,468
2.5.2	<i>Investment management costs</i>	392	339	681
2.5.3	<i>Other administrative costs</i>	16,473	12,948	32,128
2.6	Other costs	14,195	9,573	14,702
2	TOTAL COSTS	422,088	384,015	767,700
	PROFIT FOR THE YEAR BEFORE TAXATION	29,655	19,222	46,043
3	Income taxes	12,546	8,211	18,329
	PROFIT FOR THE YEAR	17,109	11,011	27,714
4	GAIN (LOSS) ON DISCONTINUED OPERATIONS	0	0	0
	CONSOLIDATED PROFIT (LOSS)	17,109	11,011	27,714
	of which attributable to the shareholders of the parent	16,626	10,382	27,051
	of which attributable to minority interests	483	629	663

Basic EARNINGS per share	0.25	0.16	0.40
Diluted EARNINGS per share	0.25	0.15	0.40

OTHER COMPREHENSIVE INCOME (LOSS)		30/06/2011	30/06/2010	31/12/2010
	CONSOLIDATED PROFIT (LOSS)	17,109	11,011	27,714
	Translation reserve	0	23	345
	Fair value reserve	-4,109	-4,735	-18,267
	Hedging reserve	0	0	0
	Gains or losses on hedging instruments of net investment in foreign operations	0	0	0
	Reserve for changes in the equity of investees	-122	109	56
	Intangible asset revaluation reserve	0	0	0
	Property, plant and equipment revaluation reserve	0	0	0
	Gains or losses on non-current assets or assets of a disposal group classified as held for sale	0	0	0
	Other reserves	0	0	0
	OTHER COMPREHENSIVE INCOME (LOSS) NET OF TAX	-4,231	-4,603	-17,866
	COMPREHENSIVE INCOME (LOSS)	12,878	6,408	9,848
	of which attributable to the shareholders of the parent	12,395	5,779	9,185
	of which attributable to minority interests	483	629	663

Vittoria Assicurazioni S.p.A. - Italian GAAPs
Reclassified individual profit and loss account

(in thousands of euros)

	30/06/2011	30/06/2010	31/12/10
Technical account			
Life businesses:			
Direct insurance			
(+) Gross premiums accounted for	58,756	83,887	143,290
(-) Charges relating to claims	55,020	70,574	149,294
(-) Change in mathematical and other technical reserves	7,245	15,173	5,301
(+) Other technical captions, net	232	166	647
(-) Operating costs	8,130	9,709	18,104
(+) Return on investments where the company bears the risk net of the portion transferred to the non-technical account	13,969	14,396	28,775
(+) income on investments where policyholders bear the risk - Class D	592	1,889	6,188
Direct insurance result	3,154	4,882	6,201
Outwards reinsurance result	-451	197	247
Retained direct insurance result	2,703	5,079	6,448
Indirect and retroceded insurance result	241	-70	-59
Result of life business technical account	2,944	5,009	6,389
Non-life businesses:			
Direct insurance			
(+) Gross premiums accounted for	392,660	314,607	674,173
(-) Change in premium reserve	32,086	30,150	48,261
(-) Charges relating to claims	245,199	203,430	439,094
(-) Change in other technical reserves	-	-2,000	-3,364
(+) Other technical captions, net	-2,590	-98	-627
(-) Operating costs	91,403	74,815	160,448
Direct insurance result	21,382	8,114	29,107
Outwards reinsurance result	-5,783	-4,524	-9,174
Retained direct insurance result	15,599	3,590	19,933
Indirect and retroceded insurance result	3	-9	33
Total retained direct insurance result	15,602	3,581	19,966
(-) Change in equalisation reserves	350	26	215
(+) Income on investments transferred from the non-technical account	8,118	6,618	13,403
Result of non-life business technical account	23,370	10,173	33,154
Result of technical account	26,314	15,182	39,543
(+) Income on non-life business investments net of the portion transferred to the technical account	1,936	1,612	3,283
(+) Income on investments transferred from the life business technical account	1,741	1,782	3,647
(+) Other income	1,419	886	1,813
(-) Other charges	6,155	3,616	7,278
Result of ordinary business	25,255	15,846	41,008
(+) Extraordinary income	6,346	266	2,438
(-) Extraordinary expense	280	82	263
Profit (loss) before taxation	31,321	16,030	43,183
(-) Taxation on profit for the year	11,264	5,359	13,927
Net profit (loss)	20,057	10,671	29,256