

PRESS RELEASE

2012 Results – 2013 Targets

Consolidated Financial Statements (IFRS accounting principles)

- Group Net Profit: €49.3 million (+32.3%)
- Group Net Equity: €442.1 million (+32.5%)

Vittoria Assicurazioni S.p.A. Financial Statements (Italian accounting principles)

- Net Profit: €57.5 million (+62.7%)
- ROE: 16.8% (11.5% in 2011)
- Proposed dividend: €0.17 per share (unchanged with respect to 2011)
- Total premium: €1,018.3 million (+8.6%)
- Direct life insurance premium: €119.4 million (-6.2%)
- Direct non-life premium: €898.5 million (+10.9%)
- Non-life retained loss ratio : 67.3% (71.3% in 2011)
- Non-life retained combined ratio : 93.1% (97.3% in 2011)

2013 Targets

- Consolidated net profit: €60.3 million

Availability of some of the Board of Directors' Reports to the next Shareholders' Meeting

The Vittoria Assicurazioni Board of Directors, which met today, reviewed the 2012 results .

The Board will propose the distribution of a dividend of €0.17 per share, same as what was paid in the previous year. The dividend shall be payable as from 23rd May 2013, subject to detachment of coupon No. 32 on 20th May 2013 with a record date of 22nd May 2013.

Consolidated Results (IFRS accounting principles)

The Group net profit, as at 31 December 2012, is €49.3 million, vs €37.2 million of 2011 (+32.3%).

Profit from the insurance segment, before tax and inter-segment eliminations, is €84.5 million (€58.5 million as at 31 December 2011, representing an increase of 44.5%)

Such profit is mainly due to the contribution of the Non-life sector, with a non-life loss ratio ¹ and a combined ratio² on retained business respectively at 67.3% and 93.1%, on the basis of Italian accounting principles (71.3% and 97.3% in 2011).

¹ Claims for the period / premiums on retained business

² (Claims for the period + management fees + amortization of intangible goods + technical provisions) / premiums on retained business

Premium amount to €1,016.9 million (€936.1 million as at 31 December 2011), up 8.6%.

The contribution of the real estate sector to the Group is a net loss of €3.5 million, as compared with a loss of €2.1 million in 2011, following a decrease in sales in the Real Estate market in addition to the postponement of planned deeds of sale to 2013. The margins on the contracts signed in 2012 are worth €3.8 million vs. €5.5 million as at 31 December 2011.

Overall investments of €2,502.4 million (+14.5% vs. 2011,) comprise €61.0 million (-5.0%) of investments with risk borne by policyholders and €2,441.4 million (+15.1%) of investments with risk borne by the Group.

Net gains from investments with risk borne by the Group, amount to €61.7 million vs. €60.9 million in 2011 (+1.2%).

The current financial and economic crisis suggests prudence particularly in the valuation of strategic participations, taking into account the trend and the lengthening of the economic productive cycle and the consequent delay caused on expected profitability. On the basis of the above, investments have been written down for an amount of €8.1 million.

The 2012 Financial Statements benefit of a total of €4.9 million, of which €3.0 million is due to tax redemption of the residual deficit resulting from the merger of *Lauro 2000 S.r.l.* (incorporated into Vittoria Assicurazioni in 2011) and €2,0 million due to an extraordinary revenue for IRES refunds related to previous tax periods, which are due thanks to IRAP deductibility on employees and other personnel "engaged in an equivalent manner". (as per article 2 of the Legislative Decree No. 201/2011).

The Group net equity amounts to €442.1 million, up (+32.5%) with respect to €333.6 million as per 2011, thanks both to the increase in net capital gains on AFS securities for an amount of €70.6 million, as well as the year end result (net of distributed profit).

Vittoria Assicurazioni S.p.A. Financial Statements (Italian accounting principles)

The net profit of Vittoria Assicurazioni S.p.A., based on Italian accounting principles, amounts to €57.5 million, registering an increase of 62.7% over the net profit of €35.3 million of the previous year.

This result is made up of the net contribution of the Non-life business for an amount of €49.1 million and Life business for an amount of €8.4 million which, in total, show an increase of 62.7%

Total premium amount to €1,018.3 million (€937.6 million in 2011), up 8.6%.

Direct life premiums amount to €119.4 million with a decrease of 6.2% vs previous year (€119.4million), in line with the market.

Direct non life premium amount to €898.5 million increasing by 10.9% with respect to 2011(€809.9 million).

Motor premium total €670.1 million with an increase of 10.6%.

Other non-motor premium total €214.0 million with an increase of 15.3%.

Special lines of business total €14.3 million with a fall of 22.2%.



Overhead costs on premium increase from 8.6% to 8.8% due to the joint effect of a prudent cost optimisation policy and to the extraordinary charges related to implementation of the five year development plan.

Overall investments amount to €1,910.2 million (+5.6%) The ordinary and extraordinary profits on investments with risk borne by the Company amount to €54.4 million with a 12.1% increase over 31 December 2011. This figure is influenced by the depreciation charge of the Company's new premises which, as at 31 December 2012, amounts to €4.0 million (€1.2 million at 2011 year end due to the shorter depreciation period). In the The overall investments write down amount to €10.7 million.

The net equity amounts to €364.7 million (+14.4% with respect to 31 December 2011)

2013 Targets

Moreover the Board of Directors has approved the following targets for 2013:

	2012 Results (€ million)	2013 Targets (€ million)	Δ
Direct life insurance premium ³	119.4	126.1	+5.6%
Direct non-life premium ³	898.5	984.0	+9.5%
Direct total premium ³	1,017.9	1,110.1	+9.1%
Non-Life retained combined ratio ⁴	93.1	93.3	+0.2
Group Net Profit	49.3	60.3	+22.3%

³ (Italian accounting principles)

⁴ (Claims for the period + management fees + amortization of intangible goods + technical provisions) / premiums on retained business



Availability of some Reports of the Board of Directors to the next Shareholders' Meeting

From today's date to the next Shareholders' Meeting summoned on April the 19th 2013 the following Board of Directors' Reports are available on the Company's website www.vittoriaassicurazioni.com – Investor Relations section

www.vittoriaassicurazioni.com/pages/DettServ.aspx?idArea=10&idCat=55&idDet=178

- Report of the Board of Directors related to the Appointment of the Board of Directors (second item on the agenda for ordinary matters);
- Report of the Board of Directors related to the Appointment of the Board of Statutory Auditors (third item on the agenda for ordinary matters);
- Report of the Board of Directors related to changes to Article 7 of the Articles of Association (only item on the agenda for Extraordinary matters).

The Financial Reporting Manager Mario Ravasio, hereby declares, pursuant to Article 154-bis, paragraph 2 of the Consolidated Finance Act (Testo Unico della Finanza, or TUF), that the accounting information contained herein corresponds to documentary evidence, corporate accounting books and accounting records.

Milan, 8th March 2013

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Attachments:

reclassified separate and consolidated balance sheets, income statement and cash flow statements, pending issue of the reports of the external auditors and the Board of Statutory Auditors

Vittoria Assicurazioni

Vittoria Assicurazioni is an independent company established in Milan in 1921. The company operates in all non-life and life business sectors throughout Italy with an extensive sales network including over 370 agencies and 630 sub-agencies Vittoria Assicurazioni insures households and small and medium-sized enterprises.

Vittoria Assicurazioni S.p.A. – Italian GAAPs

Reclassified balance sheet

(€/000)

ASSETS	31/12/2012	31/12/2011
Investments		
Land and buildings	192,988	185,685
Investments in group and other companies		
- Equity investments	173,314	160,915
- Loans	5,200	5,200
Other financial investments:		
- Unit trust units	25,909	5,240
- Bonds and other fixed-interest securities	1,438,363	1,380,354
- Loans	9,351	9,777
Deposits with ceding companies	4,618	225
Investments benefiting life policyholders	60,434	61,464
Total investments	1,910,177	1,808,860
Receivables		
Receivables relating to direct insurance business from:		
- Policyholders	64,862	67,997
- Insurance brokers and agents	92,738	81,721
- Current account companies	8,164	9,657
- Amounts to be recovered from policyholders and third parties	47,203	53,292
Receivables relating to reinsurance business	4,603	3,818
Other receivables	39,127	30,657
Total receivables	256,697	247,142
Intangible assets	44,210	46,914
Tangible assets and inventory	8,306	8,893
Liquid funds	125,973	72,144
Other assets	54,501	37,465
Prepayments and accrued income	23,185	21,020
TOTAL ASSETS	2,423,049	2,242,438



Reclassified balance sheet

(€/000)

LIABILITIES AND SHAREHOLDERS' EQUITY	31/12/2012	31/12/2011
Shareholders' equity		
- Share capital	67,379	67,379
- Share premium reserve	33,355	33,355
- Revaluation reserves	10,939	10,939
- Legal reserve	11,904	11,107
- Other reserves	183,624	160,545
- Net profit (loss) for the year	57,482	35,329
Total shareholders' equity	364,683	318,654
Technical reserves, net of reinsurance		
- Premium reserve	331,237	310,672
- Claims reserve	747,294	654,027
- Mathematical reserves	734,762	716,974
- Reserve for amounts payable	22,031	26,151
- Other technical reserves	16,008	16,667
- Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	60,434	61,464
Total technical reserves	1,911,766	1,785,955
Payables		
Deposits from reinsurers	19,510	24,418
Payables arising from direct insurance business due to:		
- Insurance brokers and agents	3,956	4,285
- Current account companies	1,950	1,632
- Guarantee deposits and premiums paid by policyholders	43	239
- Guarantee funds in favour of policyholders	4,002	4,576
Payables arising from reinsurance business	11,785	11,190
Other sums payable	75,607	58,302
Total payables	116,853	104,642
Provisions for contingencies and other charges	3,785	9,500
Employees' leaving entitlement	3,433	3,806
Other liabilities	22,509	19,855
Accrued expenses and deferred income	20	26
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,423,049	2,242,438



Reclassified individual profit and loss account

	(€/000)	
	31/12/2012	31/12/2011
Technical account		
Life businesses:		
Direct insurance		
(+) Gross premiums accounted for	119,407	127,273
(-) Charges relating to claims	127,024	135,211
(-) Change in mathematical and other technical reserves	3,815	-9,650
(+) Other technical captions, net	-308	456
(-) Operating costs	15,082	15,863
(+) Return on investments where the company bears the risk net of the portion transferred to the non-technical account	25,334	23,840
(+) income on investments where policyholders bear the risk - Class D	7,103	-5,474
Direct insurance result	5,615	4,671
Outwards reinsurance result	-307	-365
Retained direct insurance result	5,308	4,306
Indirect and retroceded insurance result	-512	213
Result of life business technical account	4,796	4,519
Non-life businesses:		
Direct insurance		
(+) Gross premiums accounted for	898,512	809,904
(-) Change in premium reserve	21,787	45,842
(-) Charges relating to claims	594,942	542,385
(+) Other technical captions, net	-12,689	-4,259
(-) Operating costs	204,373	188,218
Direct insurance result	64,721	29,200
Outwards reinsurance result	1,605	-1,635
Retained direct insurance result	66,326	27,565
Indirect and retroceded insurance result	68	52
Total retained direct insurance result	66,394	27,617
(-) Change in equalisation reserves	436	562
(+) Income on investments transferred from the non-technical account	13,300	10,402
Result of non-life business technical account	79,258	37,457
Result of technical account	84,054	41,976
(+) Income on non-life business investments net of the portion transferred to the technical account	3,216	2,463
(+) Income on investments transferred from the life business technical account	3,112	-
(+) Other income	3,917	5,117
(-) Other charges	16,527	11,756
Result of ordinary business	77,772	37,800
(+) Extraordinary income	12,302	15,151
(-) Extraordinary expense	716	3,047
Profit (loss) before taxation	89,358	49,904
(-) Taxation on profit for the year	31,876	14,575
Net profit (loss)	57,482	35,329



Statement of source and application of funds

(€/000)

	31/12/2012	31/12/2011
SOURCE OF FUNDS		
Net profit for the year	57,482	35,329
Positive or negative adjustments relating to unsettled positions:		
Net increase (+) decrease (-) in:		
claims reserve	89,148	85,252
premium reserve	21,000	45,522
life business technical reserves	15,663	-3,350
Increase (-) Decrease (+) in receivables from policyholders	3,135	-9,027
Net increase (-) decrease (+) in agent, reinsurer and coinsurer balances	-19,026	-14,641
Net increase (-) decrease (+) in intangible assets	2,704	-3,161
Increase in specific provisions	-5,715	7,919
Employees' leaving entitlement:		
accruals	2,084	1,947
utilisation	-2,457	-2,113
Increase (-) decrease (+) in other receivables, sundry assets and accrued income	-20,995	-30,714
Increase (+) decrease (-) in other sums payable, other liabilities and accrued expenses	19,184	29,441
Adjustments to securities	17,993	10,162
Adjustments to class D securities	-1,195	804
Funds generated by ordinary activities	179,005	153,370
Disposal of fixed assets	-	696
Sale of bonds and other fixed-interest securities	357,622	333,518
Sale of investments	27,321	177,448
Sale of unit trusts	4,066	3,812
Sale of class D	11,964	29,460
Repayment of loans and borrowings	2,827	2,968
Other financial disinvestments	-	1,039
Funds generated by disinvesting activities	403,800	548,941
Subordinated bond issue into ordinary shares	-	-290
Total funds generated	582,805	702,021



(€/000)

	31/12/2012	31/12/2011
APPLICATION OF FUNDS		
Buildings	12,157	167,460
Fixed-interest securities	417,400	431,374
Investments	51,090	64,167
Unit trusts	24,735	-
Class D investments	9,739	15,272
Loans to third parties	2,401	1,986
Previous year's dividend distributed	11,454	11,454
Total application of funds	528,976	691,713
Increase/decrease in liquid funds	53,829	10,307
TOTAL	582,805	702,020
Liquid funds at the beginning of the year	72,144	61,837
Liquid funds at the end of the year	125,973	72,144



Consolidated accounts

BALANCE SHEET - ASSETS

(€/000)

		31/12/2012	31/12/2011
1	INTANGIBLE ASSETS	34,794	38,959
1.1	Goodwill	0	1,795
1.2	Other intangible assets	34,794	37,164
2	PROPERTY, PLANT AND EQUIPMENT	579,502	528,102
2.1	Property	569,691	517,749
2.2	Other items of property, plant and equipment	9,811	10,353
3	REINSURERS' SHARE OF TECHNICAL RESERVES	71,751	73,215
4	INVESTMENTS	1,771,494	1,581,171
4.1	Investment property	0	0
4.2	Investments in subsidiaries and associates and interests in joint ven	15,770	104,479
4.3	Held to maturity investments	102,952	98,047
4.4	Loans and receivables	57,634	37,987
4.5	Financial assets available for sale	1,533,113	1,273,622
4.6	Financial assets at fair value through profit or loss	62,025	67,036
5	OTHER RECEIVABLES	249,457	248,638
5.1	Receivables relating to direct insurance	204,487	208,114
5.2	Receivables relating to reinsurance business	4,603	3,818
5.3	Other receivables	40,367	36,706
6	OTHER ASSETS	108,002	83,671
6.1	Non-current assets or assets of a disposal group classified as held for sale	0	0
6.2	Deferred acquisition costs	8,247	8,335
6.3	Deferred tax assets	66,829	43,101
6.4	Current tax assets	25,642	24,946
6.5	Other assets	7,284	7,289
7	CASH AND CASH EQUIVALENTS	161,247	87,117
	TOTAL ASSETS	2,976,247	2,640,873





BALANCE SHEET - EQUITY AND LIABILITIES

(€/000)

		31/12/2012	31/12/2011
1	EQUITY	465,951	358,355
1.1	attributable to the shareholders of the parent	442,060	333,625
1.1.1	Share capital	67,379	67,379
1.1.2	Other equity instruments	0	0
1.1.3	Equity-related reserves	33,874	33,874
1.1.4	Income-related and other reserves	260,274	234,506
1.1.5	(Treasury shares)	0	0
1.1.6	Translation reserve	0	-115
1.1.7	Fair value reserve	31,266	-39,314
1.1.8	Other gains or losses recognised directly in equity	0	70
1.1.9	Profit for the year attributable to the shareholders of the parent	49,267	37,225
1.2	attributable to minority interests	23,891	24,730
1.2.1	Share capital and reserves attributable to minority interests	25,374	24,336
1.2.2	Gains or losses recognised directly in equity	0	0
1.2.3	Profit for the year attributable to minority interests	-1,483	394
2	PROVISIONS	3,785	2,828
3	TECHNICAL RESERVES	1,930,402	1,762,011
4	FINANCIAL LIABILITIES	379,351	354,681
4.1	Financial liabilities at fair value through profit or loss	61,018	64,249
4.2	Other financial liabilities	318,333	290,432
5	PAYABLES	109,341	103,429
5.1	Payables arising from direct insurance business	9,951	10,733
5.2	Payables arising from reinsurance business	11,785	11,190
5.3	Other sums payable	87,605	81,506
6	OTHER LIABILITIES	87,417	59,569
6.1	Liabilities of a disposal group held for sale	0	0
6.2	Deferred tax liabilities	32,099	16,717
6.3	Current tax liabilities	25,149	12,924
6.4	Other liabilities	30,169	29,928
	TOTAL EQUITY AND LIABILITIES	2,976,247	2,640,873



(€/000)

INCOME STATEMENT		31/12/2012	31/12/2011
1.1	Net premiums	965,953	863,566
1.1.1	<i>Gross premiums</i>	995,518	890,450
1.1.2	<i>Ceded premiums</i>	29,565	26,884
1.2	Commission income	599	1,064
1.3	Gains or losses on remeasurement of financial instruments at fair value through profit or loss	127	143
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	1,655	6,524
1.5	Gains on other financial instruments and investment property	73,579	67,161
1.5.1	<i>Interest income</i>	62,978	53,586
1.5.2	<i>Other income</i>	219	412
1.5.3	<i>Realised gains</i>	10,360	13,163
1.5.4	<i>Unrealised gains</i>	22	0
1.6	Other income	12,961	16,597
1	TOTAL REVENUE	1,054,874	955,055
2.1	Net charges relating to claims	695,727	648,588
2.1.1	<i>Amounts paid and change in technical reserves</i>	720,126	665,486
2.1.2	<i>Reinsurers' share</i>	-24,399	-16,898
2.2	Commission expense	32	75
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	9,805	3,273
2.4	Losses on other financial instruments and investment property	8,359	15,581
2.4.1	<i>Interest expense</i>	4,503	4,489
2.4.2	<i>Other expense</i>	0	0
2.4.3	<i>Realised losses</i>	33	494
2.4.4	<i>Unrealised losses</i>	3,823	10,598
2.5	Operating costs	217,120	202,261
2.5.1	<i>Commissions and other acquisition costs</i>	178,552	166,040
2.5.2	<i>Investment management costs</i>	1,208	843
2.5.3	<i>Other administrative costs</i>	37,360	35,378
2.6	Other costs	45,961	27,661
2	TOTAL COSTS	977,004	897,439
	PROFIT FOR THE YEAR BEFORE TAXATION	77,870	57,616
3	Income taxes	30,086	19,997
	PROFIT FOR THE YEAR	47,784	37,619
4	GAIN (LOSS) ON DISCONTINUED OPERATIONS	0	0
	CONSOLIDATED PROFIT (LOSS)	47,784	37,619
	of which attributable to the shareholders of the parent	49,267	37,225
	of which attributable to minority interests	-1,483	394

Basic EARNINGS per share	0.73	0.55
Diluted EARNINGS per share	0.73	0.55

OTHER COMPREHENSIVE INCOME		31/12/2012	31/12/2011
	CONSOLIDATED PROFIT (LOSS)	47,784	37,619
	Translation reserve	115	-263
	Fair value reserve	70,580	-46,682
	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	-70	-36
	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	70,625	-46,981
	COMPREHENSIVE INCOME (LOSS)	118,409	-9,362
	of which attributable to the shareholders of the parent	119,892	-9,756
	of which attributable to minority interests	-1,483	394





(€/000)

CASH FLOW STATEMENT - INDIRECT METHOD	31/12/2012	31/12/2011
Profit for the year before taxation	77,870	57,616
Change in non-monetary items	166,862	85,819
Change in non-life premium reserve	20,190	44,716
Change in claims reserve and other non-life technical reserves	93,267	88,080
Change in mathematical reserves and other life technical reserves	56,398	-24,272
Change in deferred acquisition costs	88	-1,165
Change in provisions	957	56
Non-monetary gains and losses on financial instruments, investment property and investments in subsidiaries and associates and interests in joint ventures	-7,467	-6,462
Other changes	3,429	-15,134
Change in receivables and payables arising from operating activities	5,093	1,630
Change in receivables and payables relating to direct insurance and reinsurance	2,655	-23,023
Change in other receivables and payables	2,438	24,653
Taxes paid	-30,086	-19,997
Net cash flow generated by/used for monetary items from investing and financing activities	1,780	2,885
Liabilities from financial contracts issued by insurance companies	-3,231	-13,440
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	5,011	16,325
NET CASH FLOW FROM OPERATING ACTIVITIES	221,519	127,953
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	92,283	-6,034
Net cash flow generated by/used for loans and receivables	-19,647	5,791
Net cash flow generated by/used for held to maturity investments	-4,905	-1,713
Net cash flow generated by/used for financial assets available for sale	-185,088	-43,736
Net cash flow generated by/used for property, plant and equipment	-47,235	-63,057
Other net cash flows generated by/used for investing activities	0	0
NET CASH FLOW FROM INVESTING ACTIVITIES	-164,592	-108,749
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	-11,454	-11,454
Net cash flow generated by/used for share capital and reserves attributable to minority interests	756	-2,037
Net cash flow generated by/used for subordinated liabilities and equity instruments	0	0
Net cash flow generated by/used for other financial liabilities	27,901	-12,393
NET CASH FLOW FROM FINANCING ACTIVITIES	17,203	-25,884
Effect of exchange rate gains/losses on cash and cash equivalents	0	0
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	87,117	93,797
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	74,130	-6,680
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	161,247	87,117

