

PRESS RELEASE

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In case of doubt the Italian version prevails.

1st Half 2014 Results

Group Consolidated Results

- Net Group Profit: € 37.2 million (+16.1%)
- Group Shareholders' equity: € 571.6 (+12.9% vs. 31 December 2013)
- Total Premium: € 646.7 million (+13.4%)

Vittoria Assicurazioni S.p.A. Results

- Net Profit: € 42.2 million (+15.1%)
- Life Premium: € 133.8 million (+51.6%)
- Non-Life Premium: € 513.0 million (+6.4%)
- Retained Non-life Loss Ratio: 64.0% (65.6% in 1st half 2013)
- Retained Non-Life Combined Ratio: 90.2% (90.9% in 1st half 2013)

Incorporation of Vittoria Properties into Vittoria Assicurazioni

-The incorporation of Vittoria Properties s.r.l into Vittoria Assicurazioni s.p.a has been approved.

The Board of Directors of Vittoria Assicurazioni, which met today in Milan, has reviewed the results for 1st half of 2014.

Consolidated Results (IFRS GAAP)

Results for the 1st half 2014 show a Group Net Profit (i.e. profit attributable to parent company shareholders) of € 37.2 million vs. € 32.0 million for the same period in 2013 (+16.1%).

Total insurance result, gross of taxes and intercompany's adjustments, is € 64.2 million, increasing by 12.2% with respect to the same result (€ 57.3 million) for the 1st half 2013.

The above result is mainly due to the contribution of the Non-Life sector, showing a retained Combined Ratio¹ of 90.2% with a slight improvement with respect that of the prior period in 2013 (90.9%).

¹ (Claims + operating expenses + amortisation of intangible assets + technical accounts) / earned premiums





As of 30 June 2014 total premium amount to € 646.7 million (€ 570.2 million as of June, 30 2013) with an increase of 51.8% in the Life sector and of 6.4% in the Non-Life, totalling 13.4% increase vs 1st half 2013.

The Real Estate segment contribution to the Group bottom-line is a loss of € -4.6 million (vs. a loss of € -3.3 million registered in 1st half 2013). The above result includes the margins arising from the deeds of sale made in the 1st half 2014 amounting to €2.8 million (vs 2.1 million registered in the 1st half 2013) and € 3.0 million of bad debts write offs of Rovimmobiliare s.r.l, now in liquidation.

The Group comprehensive income, which considers gains and losses directly registered in the net equity, amounts to €80.7 million vs € 35.7 million as of 30 June 2013, thanks to the increase in the market value of the securities portfolio.

Of total investments of € 3,018.7 million (+8.3% vs. 31 December 2013), € 68.2 million (4.1%) related to investments with risk borne by policyholders and € 2,950.5 million (+8.4%) to investments with risk borne by the Group.

Net income from investments with risk borne by the Group amounts to € 32.8 million as opposed to € 29.3 million in 1st half 2013 (+12.0%).

Group Shareholders' equity amounts to 571.6 million, with an increase of 12.9% vs. the amount of € 506.4 million reported as at 31 December 2013.

The Group half year result, in line with the strategic plan, calls for a confirmation of the targets which include the strengthening of Vittoria Assicurazioni's capital position, in line with the forthcoming Solvency II requirements and the annual increase of dividends by 5%.

Vittoria Assicurazioni S.p.A. Results (as per Italian GAAPs)

Results for 1st half 2014 show a net profit of € 42.2 million (vs. € 36.7 million in 2013) with an increase of 15.1%.

Total premium written amount to € 647.1 million with a 13.4% increase over the first half 2013. More in detail:

- Life direct premium (€ 133.8 million) increase by 51.6%.
- Non-Life direct premium (€513.0 million) increase overall by 6.4% vs. 1st half 2013;
- Motor premium (€ 377.0 million) increase by 4.9%;
- Non motor premium (€ 129.1 million) increase by 12.5%;
- Other premium decrease by -10.7% to € 6.9 million.



Non-Life retained loss ratio is 64.0% (vs. 65.6% in 1st half 2013)².

Non-Life retained combined ratio improves from 90,9.% to 90.2%.

In 1st half 2014 overhead costs³ as a percentage of premium written decrease to 7.5% from 7.9% in 1st half 2013.

The Parent Company's net equity amounts to € 453.0 million (€ 423.0 million as at 31 December 2013).

Incorporation of Vittoria Properties into Vittoria Assicurazioni

The Board of Directors has approved the incorporation of Vittoria Properties s.r.l (already totally controlled) into Vittoria Assicurazioni s.p.a. The operation is part of the overall reorganisation project concerning the Real Estate subsidiaries aimed at a reduction of intercompany costs and of managerial and administrative formalities . The operation is subject to IVASS approval.

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, 31 July 2014

² Claims/earned premiums (retained business)

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

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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 audit company Deloitte & Touche S.p.A. is closing 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 400 agencies and 790 sub-agencies. Vittoria's mission is to be the elective insurer of families and small and medium enterprises.



Vittoria Assicurazioni S.p.A.

Condensed Consolidated financial statements as at 30 June 2014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€/000)

ASSETS	30/06/2014	31/12/2013
INTANGIBLE ASSETS	29,104	30,767
Goodwill	0	0
Other intangible assets	29,104	30,767
PROPERTY, PLANT AND EQUIPMENT	507,996	513,206
Property	498,773	504,308
Other items of property, plant and equipment	9,223	8,898
REINSURERS' SHARE OF TECHNICAL RESERVES	68,505	73,163
INVESTMENTS	2,342,283	2,116,033
Investment property	88,090	89,509
Investments in subsidiaries and associates and interests in joint ven	22,109	18,446
Held to maturity investments	56,314	67,307
Loans and receivables	65,639	67,832
Financial assets available for sale	2,041,647	1,807,203
Financial assets at fair value through profit or loss	68,484	65,736
OTHER RECEIVABLES	197,054	220,800
Receivables relating to direct insurance	141,641	176,635
Receivables relating to reinsurance business	6,551	3,836
Other receivables	48,862	40,329
OTHER ASSETS	173,200	133,811
Non-current assets or assets of a disposal group classified as held for sale	0	0
Deferred acquisition costs	8,386	8,310
Deferred tax assets	114,030	97,090
Current tax assets	45,315	22,353
Other assets	5,469	6,058
CASH AND CASH EQUIVALENTS	177,644	167,120
TOTAL ASSETS	3,495,786	3,254,900



Vittoria Assicurazioni S.p.A.

Condensed Consolidated financial statements as at 30 June 2014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€/000)

EQUITY AND LIABILITIES		30/06/2014	31/12/2013
EQUITY		584,586	528,528
attributable to the shareholders of the parent		571,580	506,449
Share capital		67,379	67,379
Other equity instruments		0	0
Equity-related reserves		33,874	33,874
Income-related and other reserves		335,864	297,933
(Treasury shares)		0	0
Translation reserve		0	0
Fair value reserve		97,236	53,383
Other gains or losses recognised directly in equity		43	350
Profit for the year attributable to the shareholders of the parent		37,184	53,530
attributable to minority interests		13,006	22,079
Share capital and reserves attributable to minority interests		12,849	21,625
Gains or losses recognised directly in equity		0	0
Profit for the year attributable to minority interests		157	454
PROVISIONS		7,231	4,558
TECHNICAL RESERVES		2,325,353	2,151,860
FINANCIAL LIABILITIES		365,906	379,219
Financial liabilities at fair value through profit or loss		68,202	65,487
Other financial liabilities		297,704	313,732
PAYABLES		88,566	100,779
Payables arising from direct insurance business		10,953	9,430
Payables arising from reinsurance business		11,599	13,388
Other sums payable		66,014	77,961
OTHER LIABILITIES		124,144	89,956
Liabilities of a disposal group held for sale		0	0
Deferred tax liabilities		62,037	38,223
Current tax liabilities		30,980	21,223
Other liabilities		31,127	30,510
TOTAL EQUITY AND LIABILITIES		3,495,786	3,254,900

Vittoria Assicurazioni S.p.A.
 Condensed Consolidated financial statements as at 30 June 2014

(€/000)

Income Statement	30/06/2014	30/06/2013	31/12/2013
Net premiums	615,346	539,601	1,094,745
<i>Gross premiums</i>	630,369	552,547	1,131,284
<i>Ceded premiums</i>	15,023	12,946	36,539
Commission income	389	459	546
Gains or losses on remeasurement of financial instruments at fair value through profit or loss	14	16	20
Gains on investments in subsidiaries and associates and interests in joint ventures	739	94	326
Gains on other financial instruments and investment property	36,427	32,607	75,588
<i>Interest income</i>	34,044	32,341	66,441
<i>Other income</i>	1,834	138	448
<i>Realised gains</i>	549	125	8,699
<i>Unrealised gains</i>	0	3	0
Other income	8,879	6,689	10,932
TOTAL REVENUE	661,794	579,466	1,182,157
Net charges relating to claims	443,833	385,292	779,312
<i>Amounts paid and change in technical reserves</i>	453,436	395,184	808,368
<i>Reinsurers' share</i>	-9,603	-9,892	-29,056
Commission expense	14	16	32
Losses on investments in subsidiaries and associates and interests in joint ventures	876	1,456	2,742
Losses on other financial instruments and investment property	6,726	4,462	10,642
<i>Interest expense</i>	3,244	3,035	4,655
<i>Other expense</i>	1,887	0	472
<i>Realised losses</i>	0	0	1
<i>Unrealised losses</i>	1,595	1,427	5,514
Operating costs	124,314	112,843	229,241
<i>Commissions and other acquisition costs</i>	104,519	93,436	188,804
<i>Investment management costs</i>	1,198	820	1,721
<i>Other administrative costs</i>	18,597	18,587	38,716
Other costs	27,166	22,968	52,826
TOTAL COSTS	602,929	527,037	1,074,795
PROFIT FOR THE YEAR BEFORE TAXATION	58,865	52,429	107,362
Income taxes	21,524	20,632	53,378
PROFIT FOR THE YEAR	37,341	31,797	53,984
GAIN (LOSS) ON DISCONTINUED OPERATIONS	0	0	0
CONSOLIDATED PROFIT (LOSS)	37,341	31,797	53,984
of which attributable to the shareholders of the parent	37,184	32,027	53,530
of which attributable to minority interests	157	-230	454

Basic EARNINGS per share	0.55	0.48	0.79
Diluted EARNINGS per share	0.55	0.48	0.79



	30/06/2014	30/06/2013	31/12/2013
COMPREHENSIVE INCOME (LOSS)			
CONSOLIDATED PROFIT (LOSS)	37,341	31,797	53,984
Other comprehensive income, net of taxes without reclassification to profit or loss	-307	123	197
Changes in the equity of investees	-	-	-
Changes in intangible asset revaluation reserve	-	-	-
Changes in tangible asset revaluation reserve	-	-	-
Gains or losses on non-current assets or assets of a disposal group classified as held for sale	-	-	-
Actuarial gains and losses and adjustments related to defined benefit plans	-307	123	197
Other items	-	-	-
Other comprehensive income, net of taxes with reclassification to profit or loss	43,853	43,853	43,853
Change in translation reserve	-	-	-
Gains or losses on available for sale investments	43,853	3,516	22,117
Gains or losses on hedging instruments	-	-	-
Gains or losses on hedging instruments of net investment in foreign operations	-	-	-
Changes in the equity of investees	-	-	-
Gains or losses on non-current assets or assets of a disposal group classified as held for sale	-	-	-
Other items	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME	43,546	47,615	22,314
TOTAL CONSOLIDATED COMPREHENSIVE INCOME (LOSS)	80,887	79,412	76,298
of which attributable to the shareholders of the parent	80,730	35,666	75,844
of which attributable to minority interests	157	-230	454



Vittoria Assicurazioni S.p.A. - Italian GAAPs

Reclassified individual profit and loss account

	(€/000)		
	30/06/2014	30/06/2013	31/12/13
Technical account			
Life businesses:			
Direct insurance			
(+) Gross premiums accounted for	133,839	88,295	168,255
(-) Charges relating to claims	59,152	60,695	114,997
(-) Change in mathematical and other technical reserves	82,107	30,597	64,553
(+) Other technical captions, net	891	195	310
(-) Operating costs	8,964	8,454	15,614
(+) Return on investments where the company bears the risk net of the portion transferred to the non-technical account	13,498	12,940	25,430
(+) income on investments where policyholders bear the risk - Class D	3,142	129	5,292
Direct insurance result	1,147	1,813	4,123
Outwards reinsurance result	-135	-166	-460
Retained direct insurance result	1,012	1,647	3,663
Indirect and retroceded insurance result	-105	7	11
Result of life business technical account	907	1,654	3,674
Non-life businesses:			
Direct insurance			
(+) Gross premiums accounted for	513,003	482,023	982,677
(-) Change in premium reserve	16,562	17,948	19,373
(-) Charges relating to claims	317,645	306,060	638,551
(+) Other technical captions, net	-10,000	-8,829	-15,337
(-) Operating costs	114,507	103,889	214,579
Direct insurance result	54,289	45,297	94,837
Outwards reinsurance result	-3,043	-431	-128
Retained direct insurance result	51,246	44,866	94,709
Indirect and retroceded insurance result	58	45	70
Total retained direct insurance result	51,304	44,911	94,779
(-) Change in equalisation reserves	243	211	469
(+) Income on investments transferred from the non-technical account	10,804	10,317	18,916
Result of non-life business technical account	61,865	55,017	113,226
Result of technical account	62,772	56,671	116,900
(+) Income on non-life business investments net of the portion transferred to the technical account	2,907	2,609	4,872
(+) Income on investments transferred from the life business technical account	-	1,552	3,044
(+) Other income	2,603	2,068	4,528
(-) Other charges	5,594	5,659	19,051
Result of ordinary business	62,688	57,241	110,293
(+) Extraordinary income	1,450	308	9,100
(-) Extraordinary expense	192	51	185
Profit (loss) before taxation	63,946	57,498	119,208
(-) Taxation on profit for the year	21,745	20,837	56,741
Net profit (loss)	42,201	36,661	62,467