



Vittoria Assicurazioni

PRESS RELEASE

2010 half-year Results

Group consolidated results¹

- Group net profit: € 10.4 million (+26.7%)
- Group Net Equity: € 349.4 million (-1.0% vs 31/12/2009)
- Total Premium volume: € 398.5 million(+28.1%)
- Net Consolidated Result target confirmed

Parent Company's Results (Vittoria Assicurazioni S.p.A.)

- Net Profit: € 10.7 million (-14.6%)
- Life Premium: € 83.9 million (+62.2%)
- Non-Life Premium: € 314.6 million (+21.4%)
- Retained non life Loss Ratio: 73.5% (72.9% for the first half 2009)
- Retained non life Combined ratio : 99.7% (99.8% for the first half 2009)

The Board of Directors, which met today, has reviewed the 2010 half-year results.

Consolidated Results (IFRS)¹

Reported results for the 2010 half year show a Group Net Profit of € 10.4 million vs € 7.3 million for the same period in 2009 (+26.7%).

Total insurance results, gross of intercompany's eliminations and excluding the participated companies contribution rises from € 12.9 up to € 15.6 million (+21.4%) and shows a premium increase (+28.6%) realised by the agents' network, which, following the planned development plan, operates as at 30 June 2010, with 301 general agencies and 509 professional sub-agencies.

¹ From the first quarter report onward, the Group applies the interpretation of IFRIC 15 "Agreements for the Construction of Real Estate" for the valuation of real estate under construction, according to which agreements for real estate construction by the Group are not within the scope of IAS 11. The real estate trading profits are thus recognized at the time of the notarial deed, rather than based on the stage of completion of the building. Comparative figures as at 30 June 2009 and as at 31 December 2009 shown in the Half year accounts have been restated according to IFRIC 15. The impact of the restatement is shown in a specific paragraph in the Notes to the accounts

The Real Estate sector shows a pre-tax positive result of € 6.6 million vs. a negative result of € -3.3 million recorded in the same period of 2009, mainly due to inception of the realisation of investments made in the previous years. Margins realised on sales recorded in the first half 2010 amount to € 10.2 million vs. € 0.7 million reported in the first half 2009. This contribution to the results allowed the attribution of a significant share of such margins to the Life Policyholders.

Private Equity investments carried out by affiliated companies register a negative result of € 1.2 million (€ -0.5 million as of 30 June 2009).

Investments for a total of € 2,146.8 million (+1.9% vs. reported situation as at 31 December 2009), relate to investments with risk borne by policyholders for € 77.7 million (-2.5%) and for € 2,069.1 million (+2.1) to investments with risk borne by the Group.

Net income from investments with the risk borne by the Group amounts to € 31.9 million vs € 23.2 million, reported for the same period in 2009 (+37,7%). Net returns from the insurance sector have decreased by 8.5% (€ -2.2 million), due to the decrease in interest rates.

The Group Net Equity amounts to € 349.4 million, decreasing by -1.0% vs. € 353.1 million reported as of 31 December 2009, due to the lower unrealised gains on AFS portfolio.

Vittoria Group confirms its intent to strengthen its capital and deems it appropriate to plan a dividend policy in line with the previous year.

Considering the expected improvements in the insurance and real estate operations in the second half of the year, the forecast 2010 net consolidated result previously communicated can be confirmed.

Parent Company's results (Vittoria Assicurazioni S.p.A.) - local GAAP-

Reported half year results show a net profit of € 10.7 million (€ 12.5 million for the same period in 2009) with a decrease of -14.6%.

The main operating drivers contributing to the period' s result are as follows:

- increase in the technical Life result for € 1.9 million;
- increase in the technical Non-life result for € 1.3 million (before the transfer of the income from investments), reporting a slightly improved Combinend Ratio (99.7%

vs. 99.8%) despite the additional costs for the investments related to the development;

- reduced contribution of the income from investments: the first half of 2009 reflected adjustments to investment values (+2.6 million) while the first half of 2010 recorded lower dividends from participated companies (-1.6 million).

Direct premium underwritten amount to a total of € 398.5 million, with an increase of 28.1% vs. the same period in 2009.

Direct life premium (€ 83.9 million) register an increase of 62.2% vs the same 2009 period.

Direct non life premium (€ 314.6 million) register an increase of 21.4% vs those of the 2009 half year.

Motor premium (€ 232.7 million) show an increase of 24.3%. Premium of non Motor line of business (€ 81.9 million) increase by 13.8%.

Retained non life Loss Ratio is 73.5% (72.9% in the first half of 2009)².

Retained Combined Ratio, on a half year basis, reduces to 99.7% from 99.8%.

The half year expense ratio decreases to 21.2% from 23.5%.

As at 30 June 2010, following conversions requested for the bond loan, the share capital rose to € 66,516,198.

The Parent Company's net equity amounts to € 274.1 million (€ 272.9 million as at 31 December 2009).

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

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, 30 July 2010

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Attachments: Restated Income Statement and Consolidated Balance Sheet and Income Statement, which have been transmitted to the Board of Statutory Auditors. Limited audit review is underway by BDO S.p.A., independent 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 300 agencies and 500 sub-agencies. Vittoria's mission is to be the elective insurer of families and small and medium enterprises.

Vittoria Assicurazioni S.p.A.
 Consolidated interim financial statements as at 30 June 2010
BALANCE SHEET - ASSETS

(€/000)

		30/06/2010	31/12/2009	31/12/2009 not restated
1	INTANGIBLE ASSETS	33,990	31,940	31,940
1.1	Goodwill	1,795	1,795	1,795
1.2	Other intangible assets	32,195	30,145	30,145
2	PROPERTY, PLANT AND EQUIPMENT	449,006	455,593	443,125
2.1	Property	444,876	451,452	438,984
2.2	Other items of property, plant and equipment	4,130	4,141	4,141
3	REINSURERS' SHARE OF TECHNICAL RESERVES	72,220	74,226	74,226
4	INVESTMENTS	1,641,419	1,588,151	1,588,151
4.1	Investment property	0	0	0
4.2	Investments in subsidiaries and associates and interests in joint ve	99,806	99,898	99,898
4.3	Held to maturity investments	94,901	94,717	94,717
4.4	Loans and receivables	46,117	43,227	43,227
4.5	Financial assets available for sale	1,317,878	1,264,299	1,264,299
4.6	Financial assets at fair value through profit or loss	82,717	86,010	86,010
5	OTHER RECEIVABLES	176,900	196,542	196,542
5.1	Receivables relating to direct insurance	146,719	151,404	151,404
5.2	Receivables relating to reinsurance business	5,530	5,303	5,303
5.3	Other receivables	24,651	39,835	39,835
6	OTHER ASSETS	67,215	66,471	66,667
6.1	Non-current assets or assets of a disposal group classified as held for sale	0	0	0
6.2	Deferred acquisition costs	7,584	7,154	7,154
6.3	Deferred tax assets	24,174	21,110	21,306
6.4	Current tax assets	29,962	33,782	33,782
6.5	Other assets	5,495	4,425	4,425
7	CASH AND CASH EQUIVALENTS	60,457	66,895	66,895
	TOTAL ASSETS	2,501,207	2,479,818	2,467,546

Vittoria Assicurazioni S.p.A.
 Consolidated interim financial statements as at 30 June 2010
BALANCE SHEET - EQUITY AND LIABILITIES

(€/000)

		30/06/2010	31/12/2009	31/12/2009 not restated
1	EQUITY	375,468	378,576	382,923
1.1	attributable to the shareholders of the parent	349,394	353,088	356,056
1.1.1	Share capital	66,516	65,789	65,789
1.1.2	Other equity instruments	184	319	319
1.1.3	Equity-related reserves	32,538	31,412	31,412
1.1.4	Income-related and other reserves	218,889	215,547	216,124
1.1.5	(Treasury shares)	0	0	0
1.1.6	Translation reserve	-174	-197	-197
1.1.7	Fair value reserve	20,900	25,635	25,635
1.1.8	Other gains or losses recognised directly in equity	159	50	50
1.1.9	Profit for the year attributable to the shareholders of the parent	10,382	14,533	16,924
1.2	attributable to minority interests	26,074	25,488	26,867
1.2.1	Share capital and reserves attributable to minority interests	25,445	27,270	27,502
1.2.2	Gains or losses recognised directly in equity	0	0	0
1.2.3	Profit for the year attributable to minority interests	629	-1,782	-635
2	PROVISIONS	3,442	3,021	3,021
3	TECHNICAL RESERVES	1,616,147	1,554,039	1,556,341
4	FINANCIAL LIABILITIES	381,657	399,414	399,414
4.1	Financial liabilities at fair value through profit or loss	77,630	79,610	79,610
4.2	Other financial liabilities	304,027	319,804	319,804
5	PAYABLES	69,164	85,375	64,216
5.1	Payables arising from direct insurance business	7,481	7,098	7,098
5.2	Payables arising from reinsurance business	9,638	7,451	7,451
5.3	Other sums payable	52,045	70,826	49,667
6	OTHER LIABILITIES	55,329	59,393	61,631
6.1	Liabilities of a disposal group held for sale	0	0	0
6.2	Deferred tax liabilities	31,667	31,377	33,607
6.3	Current tax liabilities	148	230	230
6.4	Other liabilities	23,514	27,786	27,794
	TOTAL EQUITY AND LIABILITIES	2,501,207	2,479,818	2,467,546

(€/000)

INCOME (LOSS) STATEMENT		30/6/10	30/6/09	30/06/2009 not restated
1.1	Net premiums	359,610	291,607	291,607
1.1.1	<i>Gross premiums</i>	368,011	301,621	301,621
1.1.2	<i>Ceded premiums</i>	8,401	10,014	10,014
1.2	Commission income	430	354	354
1.3	Gains or losses on remeasurement of financial instruments at fair value through profit or loss	-110	123	123
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	203	991	991
1.5	Gains on other financial instruments and investment property	25,660	46,990	46,990
1.5.1	<i>Interest income</i>	25,049	25,143	25,143
1.5.2	<i>Other income</i>	344	138	138
1.5.3	<i>Realised gains</i>	267	82	82
1.5.4	<i>Unrealised gains</i>	0	1	1
1.6	Other income	17,444	5,605	7,998
1	TOTAL REVENUE	403,237	573,576	573,576
2.1	Net charges relating to claims	285,639	375,909	375,909
2.1.1	<i>Amounts paid and change in technical reserves</i>	286,355	245,767	246,424
2.1.2	<i>Reinsurers' share</i>	-716	-18,370	-18,370
2.2	Commission expense	54	73	73
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	2,375	1,877	1,877
2.4	Losses on other financial instruments and investment property	1,928	2,486	2,486
2.4.1	<i>Interest expense</i>	1,928	2,389	2,389
2.4.2	<i>Other expense</i>	0	0	0
2.4.3	<i>Realised losses</i>	0	97	97
2.4.4	<i>Unrealised losses</i>	0	0	0
2.5	Operating costs	85,309	74,029	74,029
2.5.1	<i>Commissions and other acquisition costs</i>	71,159	60,118	60,118
2.5.2	<i>Investment management costs</i>	339	410	410
2.5.3	<i>Other administrative costs</i>	13,811	13,501	13,501
2.6	Other costs	8,710	6,717	6,725
2	TOTAL COSTS	384,015	312,579	313,244
	PROFIT FOR THE YEAR BEFORE TAXATION	19,222	11,465	13,193
3	Income taxes	8,211	4,724	5,265
	PROFIT FOR THE YEAR	11,011	6,741	7,928
4	GAIN (LOSS) ON DISCONTINUED OPERATIONS	0	0	0
	CONSOLIDATED PROFIT (LOSS)	11,011	6,741	7,928
	of which attributable to the shareholders of the parent	10,382	7,335	8,193
	of which attributable to minority interests	629	-594	-265
			0	0
	Basic EARNINGS per share	0.16	0.11	0.12
	Diluted EARNINGS per share	0.15	0.11	0.12

0

OTHER COMPREHENSIVE INCOME (LOSS)		30/06/2010	30/06/2009	30/06/2009 not restated
	CONSOLIDATED PROFIT (LOSS)	11,011	6,741	7,928
	Translation reserve	23	-399	-399
	Fair value reserve	-4,735	6,750	6,750
	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	109	76	76
	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	-4,603	6,427	6,427
	COMPREHENSIVE INCOME (LOSS)	6,408	13,168	14,355
	of which attributable to the shareholders of the parent	5,779	13,762	14,620
	of which attributable to minority interests	629	-594	-265

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

(in thousands of euros)

	30/06/2010	30/06/2009	31/12/09
Technical account			
Life businesses:			
Direct insurance			
(+) Gross premiums accounted for	83,887	51,715	129,293
(-) Charges relating to claims	70,574	50,299	115,572
(-) Change in mathematical and other technical reserves	15,173	10,626	33,500
(+) Other technical captions, net	166	261	351
(-) Operating costs	9,709	7,881	17,820
(+) Return on investments where the company bears the risk net of the portion transferred to the non-technical account	14,396	14,597	29,264
(+) income on investments where policyholders bear the risk - Class D	1,889	4,896	14,666
Direct insurance result	4,882	2,663	6,682
Outwards reinsurance result	197	463	288
Retained direct insurance result	5,079	3,126	6,970
Indirect and retroceded insurance result	-70	-18	-40
Result of life business technical account	5,009	3,108	6,930
Non-life businesses:			
Direct insurance			
(+) Gross premiums accounted for	314,607	259,183	541,519
(-) Change in premium reserve	30,150	8,088	13,981
(-) Charges relating to claims	203,430	193,821	397,494
(-) Change in other technical reserves	-2,000	-	-
(+) Other technical captions, net	-98	-597	404
(-) Operating costs	74,815	65,134	134,369
Direct insurance result	8,114	-8,457	-3,921
Outwards reinsurance result	-4,524	10,788	10,105
Retained direct insurance result	3,590	2,331	6,184
Indirect and retroceded insurance result	-9	51	174
Total retained direct insurance result	3,581	2,382	6,358
(-) Change in equalisation reserves	26	146	311
(+) Income on investments transferred from the non-technical account	6,618	9,897	17,118
Result of non-life business technical account	10,173	12,133	23,165
Result of technical account	15,182	15,241	30,095
(+) Income on non-life business investments net of the portion transferred to the technical account	1,612	2,476	4,321
(+) Income on investments transferred from the life business technical account	1,782	1,894	3,768
(+) Other income	886	1,155	2,944
(-) Other charges	3,616	3,058	6,628
Result of ordinary business	15,846	17,708	34,500
(+) Extraordinary income	266	322	709
(-) Extraordinary expense	82	105	149
Profit (loss) before taxation	16,030	17,925	35,060
(-) Taxation on profit for the year	5,359	5,427	10,770
Net profit (loss)	10,671	12,498	24,290

Appendix: Impact of the adoption of IFRIC 15

The following tables show analytically the effects of the retrospective adoption of the IFRIC 15 (in thousands of euros).

Reconciliation of the income statement captions as at 30 June 2009

	Amounts as at 30 June 2009 (non restated)	Elimination of the effects of the method of the percentage of completion	Amounts as at 30 June 2009 (restated according to IFRIC 15)
Other income (including real estate margins)	7,998	(2,393)	5,605
Other costs	(6,725)	8	(6,717)
Net charges relating to claims (including the amount pertaining to Life Policyholders for the real estate subsidiaries whose investment is included in the separately managed funds)	(246,424)	657	(245,767)
Income taxes	(5,265)	541	(4,724)
Net profit attributable to minority interests	265	329	594
Balance of the captions affected by the IFRIC 15	(250,681)	(858)	(251,009)
Other net profit and loss captions	258,344	-	258,344
Net profit attributable to the parent company	8,193	(858)	7,335

Reconciliation of the balance sheet amounts as at 31 December 2009

	Amounts as at 31 December 2009 (non restated)	Elimination of the effects of the method of the percentage of completion		Amounts as at 31 December 2009 (restated according to IFRIC 15)
		Cumulated impact as at 31 December 2008	Impact pertaining to the 2009 accounts	
Assets:				
Property (gross amount)	460,143	(1,714)	(6,978)	451,451
Pre-payments on preliminary sales	(21,159)	10,532	10,627	0
Property (net amount)	438,984	8,818	3,649	451,451
Deferred tax assets	21,306	(155)	(41)	21,110
Other assets	4,425		1	4,426
Liabilities:				
Technical Reserves	1,566,341	(480)	(1,822)	1,544,039
Other payables	49,667	10,532	10,627	70,826
Deferred tax liabilities	33,607	(579)	(1,651)	31,377
Other liabilities	27,794		(8)	27,786
Retained earnings and other equity reserves	216,124	(577)	0	215,547
Net profit attributable to the parent company	16,924		(2,391)	14,533
Equity minority interests	29,336	(232)	0	29,104
Net profit attributable to minority interests	(635)		(1,147)	(1,782)

Reconciliation of the income statement captions as at 31 December 2009

	Amounts as at 31 December 2009 (non restated)	Elimination of the effects of the method of the percentage of completion	Amounts as at 31 December 2009 (restated according to IFRIC 15)
Other income (including real estate margins)	17,724	(6,959)	10,765
Other costs	(13,465)	(11)	(13,476)
Net charges relating to claims (including the amount pertaining to Life Policyholders for the real estate subsidiaries whose investment is included in the separately managed funds)	(526,718)	1,823	(524,895)
Income taxes	(11,731)	1,609	(10,122)
Net profit attributable to minority interests	635	1,147	1,782
Balance of the captions affected by the IFRIC 15	(533,555)	(2,391)	(535,946)
Other net profit and loss captions	550,479	0	550,479
Net profit attributable to the parent company	16,924	(2,391)	14,533

Restatement of the Statement of changes in equity

The retrospective adoption of the IFRIC 15 (with reference to the opening balances as at 1 January 2009) would have involved the following restatement:

	Equity attributable to the shareholders of the parent			Equity attributable to the minorities		
	Share Capital and other equity reserves	Net result	Total	Share Capital and other equity reserves	Net result	Total
Balance at 31/12/2008	313,676	20,170	333,846	29,336	(90)	29,246
Adjustment to closing balance (due to adoption of IFRIC 15)	(577)		(577)	(232)		(232)
Allocation	36,793	(5,644)	31,149	(90)	(1,695)	(1,785)
Reclassification	(11,337)		(11,337)	(1,744)		(1,744)
Balance at 31/12/2009	338,555	14,526	353,081	27,270	(1,785)	25,485
Adjustment to closing balance			0			0
Allocation	11,736	(4,144)	7,592	(1,825)	2,454	629
Reclassification	(11,184)		(11,184)		(40)	(40)
Reclassification to income statement	(95)		(95)			0
Balance at 30/06/2010	339,012	10,382	349,394	25,445	629	26,074