

Vittoria Assicurazioni

SOCIETÀ PER AZIONI
REGISTERED OFFICES: VIA IGNAZIO GARDELLA, 2 - 20149 MILAN - ITALY
SHARE CAPITAL: EURO 67,378,924 FULLY PAID-UP
FISCAL CODE AND MILAN COMPANIES REGISTER
NO. 01329510158 - REA NO. 54871
COMPANY REGISTERED TO REGISTER OF INSURANCE AND REINSURANCE COMPANIES –
SECTION I NO.1.00014
PARENT COMPANY OF VITTORIA ASSICURAZIONI GROUP REGISTERED TO REGISTER OF
INSURANCE GROUPS NO.008

90th year of business

Consolidated interim financial report at 30 September 2011

Board of Directors' meeting
of 10 November 2011



(Translation from the Italian original which remains the definitive version)

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BOARD OF DIRECTORS

Luigi GUATRI Giorgio Roberto COSTA	Honorary President Chairman
Andrea ACUTIS Carlo ACUTIS	Executive Deputy Chairman Executive Deputy Chairman
Roberto GUARENA	Managing Director
Adriana ACUTIS BISCARETTI di RUFFIA	Director
Massimo ANTONARELLI	Independent director
Francesco BAGGI SISINI	Independent director
Marco BRIGNONE	Independent director
Luciano GOBBI	Independent director
Arnaud HELLOUIN de MENIBUS	Director
Pietro Carlo MARSANI	Independent director
Giorgio MARSIAJ	Independent director
Lodovico PASSERIN d'ENTREVES	Independent director
Luca PAVERI FONTANA	Director
Robert RICCI	Independent director
Giuseppe SPADAFORA	Independent director
Mario RAVASIO	Secretary

BOARD OF STATUTORY AUDITORS

Alberto GIUSSANI *	President
Giovanni MARITANO Corrado VERSINO	Standing statutory auditor Standing statutory auditor
Michele CASO' * Marina MOTTURA	Substitute statutory auditor Substitute statutory auditor

GENERAL MANAGEMENT

Cesare CALDARELLI Mario RAVASIO	General Manager Joint General Manager
Enrico CORAZZA Antonio MASSOCCO Piero Angelo PARAZZINI Enzo VIGHI	Central Manager Central Manager Central Manager Central Manager

* Appointed by Shareholders' meeting held on 30 September 2011

APPOINTMENTS AND REMUNERATION COMMITTEE

Luca PAVERI FONTANA	Non-executive president
Francesco BAGGI SISINI	Independent non-executive member
Lodovico PASSERIN d'ENTREVES	Independent non-executive member

INTERNAL CONTROL COMMITTEE

Pietro Carlo MARSANI	Independent non-executive president
Luciano GOBBI	Independent non-executive member
Giuseppe SPADAFORA	Independent non-executive member

FINANCE COMMITTEE

Andrea ACUTIS	Executive president
Adriana ACUTIS BISCARETTI di RUFFIA	Non-executive member
Carlo ACUTIS	Executive member
Giorgio Roberto COSTA	Non-executive member
Luciano GOBBI	Independent non-executive member
Roberto GUARENA	Executive member
Luca PAVERI FONTANA	Non-executive member

REAL ESTATE COMMITTEE

Andrea ACUTIS	Executive president
Adriana ACUTIS BISCARETTI di RUFFIA	Non-executive member
Carlo ACUTIS	Executive member
Francesco BAGGI SISINI	Independent non-executive member
Giorgio Roberto COSTA	Non-executive member
Roberto GUARENA	Executive member
Arnaud HELLOUIN de MENIBUS	Non-executive member
Luca PAVERI FONTANA	Non-executive member

INDEPENDENT AUDITOR

BDO S.p.A.

In accordance with CONSOB (Italian securities & exchange commission) communication no. 97001574 of 20 February 1997 and given that the company Articles of Association delegate to the Chairman of the Board of Directors powers of legal representation of the company for transactions with third parties and in court and, with the approach established by the Board of Directors, to the Deputy Chairman and Managing Director, a brief description is provided below of the nature of the powers given by the Board of Directors, to be exercised on a disjoined basis, to:

The DEPUTY CHAIRMAN Carlo Acutis
and to the MANAGING DIRECTOR

- Purchase, exchange and sell buildings up to a maximum of € 10 (ten) million per transaction;
- Stipulate tender contracts and sign projects and specifications related to the company's buildings to a maximum of € 10 (ten) million per transaction;
- Purchase and sell, without any limit on the amount, government securities or securities guaranteed by the government, non-convertible bonds and similar securities and units in CIUs (collective investment undertakings) that mainly invest in bonds;
- Purchase and sell, give and carry over shares, convertible bonds, investments in companies and bodies, units of closed-end funds and credit instruments in general up to a maximum of € 10 (ten) million, reduced to € 5 (five) million when the investments and disinvestments relate to investments in insurance companies or other companies with a corporate purpose directly related or functional to that business. The right to purchase and sell majority investments in other companies and bodies is in any case the prerogative of the Board of Directors, except for those transactions involving real estate companies within the limit of € 10 (ten) million per transaction;
- Purchase and sell units of CIUs, excluding closed-end funds, that invest in the equity segment, up to the maximum amount of € 15 (fifteen) million;
- Purchase and sell, without any limit on amount, debt and equity securities for the benefit of life policyholders who bear related risk and those arising from pension fund management;
- Grant loans and financing up to the amount of € 5 (five) million, with the right to agree on all guarantees, including mortgages.

The right to issue sureties and endorsements on behalf of third parties is in any case the prerogative of the Board of Directors except for those for lease contracts related to the company's normal operations.

Form and contents of report

The Italian Consolidated Finance Act, with the new articles 154/2 and 154/3, endorsed the European directive 2004/109/EC (the so-called Transparency Directive) as regards financial reporting.

Based on Article 154/3, paragraph 5, Italian issuers with shares listed in Italian regulated markets are allowed to prepare an interim management statement mainly reporting qualitative and management information, restricting the accounting data (results, investments, etc.).

However, considering the particular situation of uncertainty and turbulence of financial markets, it has been deemed advisable continuing to present the consolidated quarterly interim report as at 30 September 2011 in compliance with Article 82 of CONSOB (Italian securities & exchange commission) resolution no. 11971 of 14 May 1999 as subsequently amended.

The report, prepared in accordance with Annex 3D of the aforesaid resolution, consists of a directors' report, which comments on the group's performance and the main events in the period, the interim financial statements and related notes.

All insurance technical data, shown in the various tables in the report on operating performance, refer to Vittoria Assicurazioni S.p.A., which is the Group's only insurance company.

Accounting policies

The rules for preparation and the accounting policies applied for the consolidated for this interim management report are the same as those used for annual consolidated financial statements. Readers should therefore refer to the "Accounting Policies" section of the Consolidated Annual Report for the year ended on 31 December 2010. Given, however, the faster preparation required than in the case of annual financial statements and the fact that this is an interim report, use has been made – consistently with the period's operating data – of appropriate estimation methods.

Interim management report

Summary of key performance indicators

SPECIFIC SEGMENT RESULTS					
	30/09/2011	30/09/2010	31/12/2010	Δ 30/09/10	Δ 31/12/10
Non Life business					
Gross Premiums written - direct Non Life business	568.3	458.4	674.2	24.0%	
Loss Ratio (retained)	70.4%	73.0%	71.5%		
Combined Ratio (retained)	96.4%	98.6%	97.6%		
Expense Ratio (retained)	25.1%	24.5%	24.2%		
Non Life business pre-tax result	41.1	16.3	30.7	152.4%	
Life business					
Gross Premiums written - direct Life business	84.7	104.1	141.7	-18.7%	
Annual Premium Equivalent (APE)	10.9	11.2	18.4	-2.7%	
Segregated fund performance: Rendimento Mensile	4.16%	4.03%	4.04%		
Segregated fund performance: Valore Crescente	4.88%	5.09%	4.93%		
Segregated funds portfolios	631.0	633.2	617.5		2.2%
Index/Unit - linked and Pension funds portfolios	66.6	79.0	77.7		-14.3%
Life business pre-tax result	7.6	9.9	11.5	-23.3%	
Total Agencies	338	311	318	27	20
Average of employees	532	503	510	29	22
Real Estate business					
Real Estate investments	466.8	449.6	458.3		1.9%
Sales	22.5	53.9	71.8	-58.3%	
Trading and development margin	4.7	12.3	16.1	-61.3%	
Real Estate business pre-tax result	-2.4	7.0	7.6	-133.8%	
CONSOLIDATED RESULTS					
	30/09/2011	30/09/2010	31/12/2010	Δ 30/09/10	Δ 31/12/10
Net gains on investments ¹	47.3	44.5	62.2	6.2%	
Pre-tax result	46.1	30.0	46.0	53.9%	
Consolidated profit (loss)	27.3	17.3	27.7	58.1%	
Group profit (loss)	27.0	16.7	27.1	61.5%	
Equity attributable to the shareholders of the parent	347.2	365.1	354.8		-2.1%
Equity attributable to the shareholders of the parent except unrealised capital gains	362.0	335.2	347.5		4.2%

¹ after gains on investments where policyholders bear the risk

Legend

- **Loss Ratio – retained business:** is the ratio of current year claims to current year gross written premiums;
- **Combined Ratio – retained business:** is the ratio of (current year claims + operating costs + intangible assets amortization + technical charges) to current year gross premiums written;
- **Expense Ratio – retained business:** is the ratio of (operating costs + intangible assets amortization + net technical charges) to current year gross premiums written;
- **APE:** Annual Premium Equivalent, is a measure of the new business volume which includes 100% of sales of regular recurring premium business and 10% of sales of single premium business.

Technical data are determined in accordance with Italian accounting principles.

Vittoria Assicurazioni Group and consolidation scope

Consolidated investments

As at 30 September 2011 the following companies have been consolidated on a line-by-line basis:

	Registered Offices	Share Capital Euro	% Ownership		Via
			Direct	Indirect	
Vittoria Assicurazioni S.p.A.	Milan	67,378,924			
Vittoria Immobiliare S.p.A.	Milan	22,000,000	87.24%		
Immobiliare Bilancia S.r.l.	Milan	4,150,000	100.00%		
Immobiliare Bilancia Prima S.r.l.	Milan	3,000,000	100.00%		
Immobiliare Bilancia Seconda S.r.l.	Milan	1,000,000	100.00%		
Immobiliare Bilancia Terza S.r.l.	Milan	100,000	100.00%		
Lauro 2000 S.r.l.	Milan	30,000,000	100.00%		
Forum Mondadori Residenze S.r.l.	Milan	1,000,000	100.00%		
Vittoria Properties S.r.l.	Milan	4,000,000	99.00%	1.00%	Vittoria Immobiliare S.p.A.
Interbilancia S.r.l.	Milan	80,000	80.00%	20.00%	
Vittoria Service S.r.l.	Milan	100,000	70.00%	30.00%	
Gestimmobili S.r.l.	Milan	104,000		80.00%	Vittoria Immobiliare S.p.A.
Acacia 2000 S.r.l.	Milan	100,000		65.00%	
Interimmobili S.r.l.	Rome	104,000		80.00%	
Cadorna Real Estate S.r.l.	Milan	10,000		70.00%	
V.R.G. Domus S.r.l.	Turin	1,000,000		100.00%	
Vaimm Sviluppo S.r.l.	Milan	2,000,000		100.00%	
Valsalaria S.r.l.	Rome	60,000		51.00%	
Aspevi Milano S.r.l.	Milan	100,000		100.00%	Interbilancia S.r.l.
Aspevi Roma S.r.l.	Milan	50,000		100.00%	
Plurico S.r.l.	Milan	10,000		70.00%	

Changes in shareholdings or other changes during the period

Immobiliare Bilancia S.r.l.

On 26 September 2011 Vittoria Assicurazioni SpA, to partial execution of the capital increase resolved by the Shareholders' Meeting on 22 December 2008, paid to Immobiliare Bilancia Srl € 5,000 thousand, of which € 1,000 thousand for capital and € 4,000 thousand for the premium reserve.

Thus, as at 30 September 2011 the capital of Immobiliare Bilancia Srl amounted to € 4,150 thousand.

VRG Domus S.r.l.

During the third quarter of the current year Vittoria Immobiliare SpA bought out the total control of VRG Domus Srl.

Unconsolidated investments valued with the net equity method

At 30 September 2011 the following companies were carried at equity:

	Registered Offices	Share Capital Euro	% Ownership		Via
			Direct	Indirect	
Yam Invest N.V. (<i>joint venture</i>)	Amsterdam Netherlands	63,083,168	18.75%		
SINT S.p.A.	Turin	5,000,000	48.19%		
Yarpa S.p.A.	Genoa	38,201,600	25.90%		
White Finance S.A	Luxembourg	1,000,000	32.17%		
Laumor Holdings S.a.r.l.	Luxembourg	12,500	29.00%		
Gima Finance S.A.	Luxembourg	31,000	32.13%		
Consorzio Movincom S.c.r.l.	Turin	104,000	0.96%	38.46%	Aspevi Roma S.r.l.
Spefin Finanziaria S.p.A.	Rome	2,000,000		21.00%	Vittoria Service S.r.l.
Sivim S.r.l.	Milan	60,000		49.50%	Vittoria Immobiliare S.p.A.
Rovimmobiliare S.r.l.	Rome	20,000		50.00%	
Mosaico S.p.A.	Turin	500,000		25.00%	
Pama & Partners S.r.l.	Genoa	1,200,000		25.00%	
Fiori di S. Bovio S.r.l.	Milan	30,000		40.00%	
Valsalaria A.11 S.r.l.	Rome	33,715		40.00%	
VP Sviluppo 2015 S.r.l.	Milan	1,000,000		40.00%	
VZ Real Estate S.r.l.	Turin	100,000		49.00%	
Le Api S.r.l.	Milan	10,400		30.00%	Interbilancia S.r.l.

Changes in shareholdings or other changes during the period

Yarpa S.p.A.

During September 2011 Vittoria Assicurazioni SpA, following to the partial execution of the capital increase (14%) resolved by the Shareholders' Meeting on 7 August 2008, paid to Yarpa SpA € 1,043 thousand.

Gima Finance S.A.

The direct operating parent company received from Gima Finance SA € 6,171 thousand as reimbursement related to the premium reserve.

Consorzio Movincom S.c.r.l.

The Shareholder's Meeting on 28 July 2011 resolved the capital increase due to the entry of the new syndicated shareholders. Further to this transaction, the ownership percentage changed as reported up in the table.

Directors' Report

Performance of the Vittoria Assicurazioni Group

Results as of 30 September 2011 (3Q11) show profit attributable to parent company shareholders amounting to € 27,015 thousand vs. € 16,725 thousand in the same period in 2010 (3Q10) (+61.5%).

The challenging and uncertain economic environment has adversely affected the financial markets causing as at 30 September 2011 unrealized losses on financial instrument investments for € 15,586 thousand recorded in the equity reserve vs. unrealised gains of € 7,622 thousand recorded as at 31 December 2010. This change (€ -23,208 thousand) negatively affected the Group's comprehensive income statement which showed as at 30 September 2011 an income of € 3,807 thousand, decreasing by 82.2% vs. € 21,410 thousand recorded as at 30 September 2010. Moreover, equity attributable to parent company shareholders as at 30 September 2011 amounted to € 347,189 thousand, decreasing by 2.1%.

Written premiums in 3Q11 totalled € 653,405 thousand (€ 562,570 thousand in 3Q10), increasing by 16.1%. This tangible increase is attributable to the constant expansion of the agency network, which following the established development plan (8 new agencies in the third quarter of the current year) and to the constant attention to the "Affinity Groups". The portfolio growth with accurate technical selection of risks underwritten, has led to an improvement of the Non-Life combined ratio on the retained business, as of 30 September 2011, which was 96.4% (compared to 98.6% as at 30 September 2010). Net results for the insurance segment improved by 53.4% amounting to € 27,233 thousand (€ 17,753 thousand as at 30 September 2010).

The real estate segment totalled a pre-tax loss of € 2,378 thousand, vs. a pre-tax profit of € 7,034 thousand in 3Q10, that benefited of completion of important real estate initiatives.

Private equity investments made by associate companies led to a profit of € 3,073 thousand (vs. a loss of € -2,608 thousand in 3Q10), mainly attributable to the gains on investment made by Gima Finance and Laumor Holdings. 3Q11 result was also affected by the negative result (€ 1,835 thousand) of the joint venture in Yam Invest N.V. (-715 € thousand in 3Q10), due to the start up costs of many investment initiatives that are expected to generate profits in the coming years.

Of investments totalling € 2,184,268 thousand (+1.9% vs. the situation as at 31 December 2010), € 66,588 thousand (-14.3%) referred to investments with risk borne by policyholders and € 2,117,680 thousand (+2.5%) to investments with risk borne by the Group.

Net investment income, relating to investments with risk borne by the Group, amounted to € 47,294 thousand vs. € 44,544 thousand at 3Q10 (+6.2%).

The following table shows the contributions of the Group's various businesses to net profit.

Reclassified Profit and Loss by business segment	(€/000)			
	30/09/11	30/09/10	31/12/10	Δ 09/11 on 09/10
Non life business - Gross Insurance Result (excluding investments result)	19,381	5,857	14,185	+230.9%
Non life business - Gross Investments Result (excluding Yam and Private Equity)	20,444	13,736	20,030	+48.8%
Life business - Gross Insurance Result (including Investments Result)	7,556	9,851	11,539	-23.3%
Gross Insurance business Result	47,381	29,444	45,754	+60.9%
Consolidation adjustments: dividends and interests from Real estate business	(1,867)	(2,021)	(3,059)	-7.6%
Real estate business: taxes	(18,281)	(9,670)	(14,694)	+89.0%
Insurance business net contribution to Profit attributable to parent company shareholders	27,233	17,753	28,001	+53.4%
Gains on property trading	4,746	12,254	16,087	-61.3%
Real estate service revenues	1,512	1,860	2,129	-18.7%
Real estate business net costs	(8,636)	(7,080)	(10,607)	+22.0%
Gross Real estate business Result	(2,378)	7,034	7,609	n.s.
Taxes and minority interests	(230)	(3,970)	(4,589)	-94.2%
Net Real estate business Result	(2,608)	3,064	3,020	n.s.
Net profit attributable to Life business Policyholders	1,644	(1,130)	(925)	n.s.
Tax on profit attributable to Life business Policyholders	(531)	417	368	n.s.
Real estate business net contribution to Profit attributable to parent company shareholders	(1,495)	2,351	2,463	n.s.
Yam Invest net contribution to Profit attributable to parent company shareholders	(1,835)	(715)	(1,003)	+156.6%
Private equity net contribution to Profit attributable to parent company shareholders	3,073	(2,608)	(2,558)	n.s.
Service business net contribution to Profit attributable to parent company shareholders	39	(56)	148	n.s.
Net Profit attributable to parent company shareholders	27,015	16,725	27,051	+61.5%

As up to 30 September 2011 the direct operating parent company, Vittoria Assicurazioni S.p.A., showed a net profit – based on Italian GAAPs – of € 25,431 thousand (vs. € 19,469 thousand in 3Q10) increasing by 30.6%. This result has been achieved even without recourse to the provisions of the “anti-crisis decree” (Law Decree no. 185/2008, converted into Law no. 2/2009 and next modifications), and in spite of net losses on investments of € 7,622 thousand (€ 335 thousand as at 30 September 2010).

Group target is development combined with capital reinforcement and it deems appropriate projection of dividend service for the current FY (financial year) in line with that of FY2010. Based on the results expected by the end of the year, we feel able to confirm the consolidated profit target already announced.

Insurance business

Profit for the insurance business, before taxes and intersegment eliminations, amounted to € 48,619 thousand (€26,121 thousand as at 30 September 2010) and the key operating items contributing to the period's result are described below.

Total insurance premiums in 3Q11 amounted to € 654,183 thousand (+16.1% vs. premiums of € 563,410 thousand in 3Q10), of which € 653,405 thousand for insurance premiums written and € 778 thousand for index - and unit-linked investment contracts and for the Vittoria Formula Lavoro open-ended pension fund.

Direct Life insurance premiums – which do not include contracts considered to be financial instruments – featured a decrease of 18.7% vs. premiums in 3Q10, as shown in the specific table.

Direct Non-Life (i.e. property & casualty) insurance premiums increased by 24.0%, specifically:

- Motor premiums progressed by 27.2%;
- Premiums for other non-marine insurance increased by 18.4%;
- Premiums for specialty categories [i.e. marine & transport, aviation, and credit & suretyship] increased by 11.3%.

Overhead costs as a percentage of total direct insurance premiums were 9.2% (vs. 9.7% in 3Q10).

The Non-Life combined ratio and loss ratio on the retained business (based on Italian GAAPs), as at 30 September 2011, were respectively 96.4% and 70.4%. (98.6% and 73.0% as at 30 September 2010).

Real estate business

The loss made by the real estate business, before taxes and intersegment eliminations, amounted to € 2,378 thousand (vs. a profit of € 7,034 thousand in 3Q10) and featured contributors to the income statement that, before intersegment eliminations, included:

- Income earned on properties from trading and development totalling € 4,746 thousand (€12,254 thousand in 3Q10);
- Revenues from real estate brokerage and management services of € 1,384 thousand and rental income of € 180 thousand (€ 1,207 thousand and € 210 thousand respectively in 3Q10);
- Financial expenses of € 3,145 thousand (€ 2,010 thousand in 3Q10).

The Group's real estate business includes trading and development, brokerage, and management of own and third-party property.

Service business

This segment showed a profit in the period, before tax and minority interest, of € 106 thousand (vs. a loss of € 13 thousand in 3Q10).

Revenues for services rendered in 3Q11 by group companies, before elimination of infra-group services, amounted to € 4,312 thousand (€ 2,358 thousand in 3Q10). These revenues included € 4,000 thousand for commissions and services rendered to the direct operating parent company.

Review of operations

Premiums as up to 30 September 2011 amounted to € 653,405 thousand while revenues not qualified as premiums as defined by IFRS 4 (Unit Linked contracts and those relating to the Vittoria Formula Lavoro open-ended pension fund) amounted to € 778 thousand (€ 840 thousand in 3Q10).

Portfolio breakdown and the changes occurring by business segment and branch are shown in the following table:

COMPARISON BETWEEN GROSS PREMIUMS IN WRITTEN FIRST 9 MONTHS OF 2011 AND 2010 DIRECT AND INDIRECT BUSINESS

	(€/000)				
	III Q 2011	III Q 2010	YoY change %	% of total book	
				2011	2010
Domestic direct business					
Life business					
I Whole- and term life	63,242	77,820	-18.7	9.7	13.8
IV Health (long-term care)	260	247	5.3	0.0	0.0
V Capitalisation	21,171	26,060	-18.8	3.2	4.6
Total Life business	84,673	104,127	-18.7	12.9	18.4
Non-Life business					
Total non-marine lines (exc. specialty and motor)	118,927	100,415	18.4	18.3	18.0
Total specialty lines	13,906	15,678	-11.3	2.2	2.8
Total motor lines	435,511	342,319	27.2	66.5	60.8
Total Non-Life business	568,344	458,412	24.0	87.0	81.6
Total direct business	653,017	562,539	16.1	99.9	100.0
Domestic indirect business					
Life business	262	-	n.v	0.1	0.0
Non-Life business	126	31	n.s	0.0	0.0
Total indirect business	388	31	n.s	0.1	0.0
Grand Total	653,405	562,570	16.1	100.0	100.0

The gross premiums written in 3Q11 alone are shown in the following table:

		(€/000)
		Third Q 2011
		Gross written Premiums
Domestic direct business	Life business	26,431
	Non-marine (exc. specialty and motor)	35,701
	Specialty lines	4,012
	Motor	135,969
	Total	202,113
Domestic indirect business	Life business	-
	Non-Life business	17
	Total	17
Grand Total		202,130

The gross premiums written in 3Q11 alone represented by investment contracts (Unit Linked and Vittoria Formula Lavoro open-ended pension fund) totalled € 264 thousand.

The table below shows the geographical spread of agencies and geographical breakdown of premiums for Italian direct business:

(€/000)

Regions	Non-Life Business			Life Business	
	Agencies	Premiums	%	Premiums	%
NORTH					
Emilia Romagna	30	40,084		4,353	
Friuli Venezia Giulia	4	6,271		1,385	
Liguria	13	23,091		2,102	
Lombardy	83	123,735		29,997	
Piedmont	40	49,535		3,467	
Trentino Alto Adige	7	6,368		893	
Valle d'Aosta	1	2,144		84	
Veneto	28	35,280		3,989	
Total	206	286,508	50.4	46,270	54.6
CENTRE					
Abruzzo	12	28,589		2,022	
Lazio	27	69,508		18,233	
Marche	15	16,164		1,270	
Tuscany	32	50,128		5,254	
Umbria	14	29,038		2,847	
Total	100	193,427	34.0	29,626	35.0
SOUTH AND ISLANDS					
Basilicata	2	5,120		565	
Calabria	2	3,885		48	
Campania	8	20,313		2,000	
Puglia	5	15,176		4,490	
Sardinia	6	17,478		156	
Sicily	9	26,437		1,518	
Total	32	88,409	15.6	8,777	10.4
Overall total	338	568,344	100.0	84,673	100.0

The direct operating parent company operates in France on the basis of the freedom-to-provide-service provisions.

Life business

Premiums

Direct insurance business premiums recognised for the period totalled € 84,673 thousand, which includes € 58,391 thousand in annual premiums and € 26,282 thousand in recurrent premiums, representing 69.0% and 31.0% of the total respectively.

Direct insurance business premiums recognised in 3Q11 alone totalled € 26,431 thousand (€ 20,833 thousand in the same period of the previous year), which includes € 18,704 thousand in annual premiums and € 7,727 thousand in recurrent premiums, representing 70,8% and 29,2% of the total, respectively.

Claims, accrued capital sums & annuities, and surrenders

The comparison relating to settlements in the quarter and as at end of September 2011 is shown in the following table:

	30/09/2011	30/09/2010
		(€/000)
Third Quarter		
Claims	6,108	3,788
Accrued capital sums & annuities	10,950	12,319
Surrenders	6,570	7,723
Total	23,628	23,829
As at Third Quarter		
Claims	16,410	15,582
Accrued capital sums & annuities	37,701	49,763
Surrenders	23,025	24,818
Total	77,136	90,163

Reinsurance

Outward reinsurance

In the Life business, the main treaties in place, which relate to Class 1 (whole/term life), are as follows:

- Excess of risk premium;
- Pure office premiums – treaties set up in 1996 and 1997.

In the third quarter ceded premiums amounted to € 287 thousand and the total amount as at 30 September 2011 amounted to € 1,187 thousand.

Inward reinsurance

Underwriting of inward business picked up more decisively in the first half of the year. New contracts were signed.

Non-Life business

Premiums and technical performance

Direct premiums written in 3Q11 amounted to € 568,344 thousand (€ 458,412 thousand in 3Q10) and featured an increase of 24.0% YoY. Direct insurance business premiums recognised in 3Q11 totalled € 175,682 thousand (€ 143,805 thousand in the same period of the previous year).

The technical performance of the individual Businesses prompts the following observations:

Non-marine Lines

Premiums written in the Non-marine Lines featured an increase of 18.4%, with a technical result on the upgrade.

Specialty Lines

Premiums in the Specialty Lines featured in the period a decrease of 11.3% which corresponds a negative technical result mainly due to the Credit and Sundry Lines.

Motor Lines

Overall, Motor Lines featured a positive result and an increase in premiums written of 27.2% and show a positive result due to the frequency reduction on reported claims.

Claims

Reported claims

The following table of claims was prepared by counting the claims filed during the examined period. The data are compared with those of the same period of the previous year:

	(€/000)					
	30/09/2011		30/09/2010		Change %	
	number	total cost	number	total cost	number	total cost
Total non-marine businesses	38,492	77,292	47,494	74,038	-19.0	4.4
Total Special businesses	813	6,396	554	4,425	46.8	44.5
Total motor businesses	118,674	291,841	97,799	255,290	21.3	14.3
Total non-life businesses	157,979	375,529	145,847	333,753	8.3	12.5

Furthermore, no. 58,593 claims referring to "CARD claims" were received. Their total cost, net of applicable deductibles, was € 25,577 thousand.

The following table shows reported claims of the quarter:

	IIIQ11		IIIQ10		Change %	
	number	total cost	number	total cost	number	total cost
Total non-marine businesses	11,241	29,964	17,828	25,080	-36.9	19.5
Total Special businesses	349	3,476	203	1,192	71.9	191.6
Total motor businesses	41,603	102,167	33,726	83,662	23.4	22.1
Total non-life businesses	53,193	135,607	51,757	109,934	2.8	23.4

Claims paid

In 3Q11 claims paid for direct business and the amount charged to reinsurers amounted to € 98,630 thousand and to € 1,969 thousand respectively.

The following table shows claims paid for direct business and the amount charged to reinsurers, with the data broken down by the period to which claims refer:

	Claims paid 30/09/2011			Claims recovered from reinsurers	Claims paid 30/09/2010			Change gross claims %
	Current year	Previous years	Total		Current year	Previous years	Total	
	Total non-marine businesses	17,973	37,730		55,703	833	18,642	
Total Special businesses	982	3,691	4,673	1,522	1,569	7,792	9,361	-50.1
Total motor businesses	112,255	151,157	263,412	3,050	90,955	116,795	207,749	26.8
Total non-life businesses	131,210	192,578	323,788	5,405	111,165	159,622	270,787	19.6

The cost includes the amount incurred in the period for the contribution to the guarantee fund for road-accident victims. This totalled € 8,623 thousand vs. € 6,503 thousand in 3Q10.

Claims settlement speed

The following table illustrates how quickly reported claims (by number) were paid net of claims eliminated without consequences, broken down by current generation and previous generation in reference to the principal Businesses:

	(percentages)			
	current generation		previous generations	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
Accident insurance	35.6	35.7	61.9	50.2
Health insurance	77.6	80.0	55.1	55.7
Motor vehicle hulls	76.0	78.0	81.5	67.5
Fire and natural events	59.1	62.6	74.4	68.8
Miscellaneous damages - theft	67.6	68.2	86.0	80.5
Third-party motor liability	66.3	65.5	59.3	56.5
Third-party general liability	49.6	49.1	31.8	24.7

Reinsurance

Outward reinsurance

As far as outward reinsurance is concerned, the corporate policy is based on selective underwriting of risks and on book development and entity in relation to the risks covered. It aims to balance net retention. Transactions are undertaken internationally with players in the reinsurance markets featuring high ratings.

The main treaties in place are the following:

Non-life business	Type of treaty
Accident	Excess claims
Motor vehicle Hulls	Excess claims
Marine Hulls	Excess claims
Cargo (goods in transit)	Excess claims
Fire and natural events	Excess claims
Miscellaneous damage	Pure premium for hail, multi-risk
	Pure premium for engineering risks
	Pure premium for ten year guarantees
Motor TPL	Excess claims
General TPL	Excess claims
Suretyship	Pure premium
Legal protection	Pure premium
Assistance	Pure premium

Ceded premiums in 3Q11 totalled € 5,134 thousand for a total of € 16,632 thousand as at 30 September 2011.

Inward reinsurance

Underwriting of inward business picked up more decisively in the first half of the year. New contracts were signed.

Commercial organisation

As part of the planned expansion of the agency network, 24 new agencies were opened, other 22 were reorganised and 4 were closed in 3Q 2011. As a result, the parent company was domestically represented by 338 general agencies (311 at 3Q10) and 596 professional sub-agencies (532 at 3Q10). In the only third quarter of 2011 8 new agencies were opened and 2 were closed.

Products

New products were created and existing products revamped. Specifically, business in the third quarter can be described as follows:

Life business:

Usual monitoring on Life normative was carried out. In fact two new collective tariffs were updated and the offer was also increased for the “Affinity Groups” agreement (“Oggi per il Domani VITA”). Besides, there have been some contractual adjustments for the Supplementary Pension-Planning (Covip).

New Products

Protection Line (Collective)

- Implementation and commercialization of one new Collective tariff for the case of death to cover residual debt;
- implementation and commercialization of one new Collective tariff for the case of death to cover residual debt relating to financing granted under the Law 180/50 and next modifications.

Revamped Products

Extension to the Program “Oggi per il Domani VITA” of three tariffs already in the catalogue “Vittoria”, with special terms for the Clients, in addition to the actual “whole life” product.

Products:

- Temporary Case of Death with Complementary optional accident;
- Deferred Capital;
- LTC - Long Term Care.

Non-Life Business:

Revamped Products

Non-Marine Line:

- With regards to the “Multirischi Aziende ed Artigiani” (Multirisk Companies and Craftsmen) product, a new TPL tariff for owners of property rented to third parties was introduced, making it possible to insure only the TPL arising from ownership of property rented to third parties;

Motor Line:

- Linea Strada: a new tariff was introduced, which includes variations based on districts, for a large variety of motor vehicle with regards to “Affinity Groups”.

Technical reserves

Technical reserves, gross of reinsurers' share, were as shown in the following table:

(€/000)						
	Direct business		Indirect business		Total carrying amount	
	30/09/2011	31/12/2010	30/09/2011	31/12/2010	30/09/2011	31/12/2010
Non-life reserves	963,989	880,067	797	873	964,786	880,940
Premium reserve	294,389	275,053	54	29	294,443	275,082
Claims reserve	669,191	604,605	743	844	669,934	605,449
Other reserves	409	409	-	-	409	409
Life reserves	753,379	772,651	260	260	753,639	772,911
Reserve for payable amounts	15,795	28,109	12	12	15,807	28,121
Mathematical reserves	739,404	725,747	244	244	739,648	725,991
Other reserves	-1,820	18,795	4	4	-1,816	18,799
Total technical reserves	1,717,368	1,652,718	1,057	1,133	1,718,425	1,653,851

The Life "Other reserves" item mainly refers to:

- € -14,368 thousand for the reserve for deferred liabilities to policyholders (of which € -16,507 thousand stemming from measurement at fair value – negative - of available-for-sale securities and € +2,139 thousand by provisioning made against subsidiaries' profit allocated to segregated accounts);
- € +12,372 thousand for the operating expenses reserve.

Reinsurers' share of technical reserves is detailed in the following table:

(€/000)						
	Direct business		Indirect business		Total carrying amount	
	30/09/2011	31/12/2010	30/09/2011	31/12/2010	30/09/2011	31/12/2010
Non-life reserves	53,992	51,595	275	382	54,267	51,977
Premium reserve	13,270	12,475	-	1	13,270	12,476
Claims reserve	40,722	39,120	275	381	40,997	39,501
Other reserves	-	-	-	-	-	-
Life reserves	19,215	21,602	-	-	19,215	21,602
Reserve for payable amounts	-	373	-	-	-	373
Mathematical reserves	19,194	21,207	-	-	19,194	21,207
Other reserves	21	22	-	-	21	22
Total reinsurers' share of technical reserves	73,207	73,197	275	382	73,482	73,579

Overhead costs

Insurance Business

Overhead costs – direct business

In 3Q11 the total amount of insurance overhead costs – consisting of personnel costs, various general expenses, plus depreciation of tangible assets and amortisation of intangible assets – rose to € 60,140 thousand vs. € 54,419 thousand in 3Q10, increasing by 10.5%.

Besides current operating expenses, these costs also include depreciation & amortisation costs for investments made in IT facilities and processes. These investments are intended to limit, in future years, the operating costs burdening corporate departments and the agency network, whilst at the same time improving services to policyholders as regards insurance coverage and claims settlement. Their breakdown is shown in the following table, where “Other costs” consist mainly of office running costs, IT costs, legal and legal-entity expenses, mandatory contributions, and association membership dues.

(€/000)			
ANALYSIS OF COSTS	30/09/2011	30/09/2010	Change
Personnel expenses	30,481	28,959	5.3%
Other costs	21,034	19,670	6.9%
Amortisation/Depreciation	8,625	5,790	49.0%
Total cost by nature	60,140	54,419	10.5%

Overhead costs as a percentage of total direct insurance premiums were 9.2% (vs. 9.7% in 3Q10).

Real-estate business – Service Business

The overhead costs of the Real Estate and Service businesses, before intersegment eliminations, are shown in the following tables:

REAL ESTATE BUSINESS

(€/000)			
ANALYSIS OF COSTS	30/09/2011	30/09/2010	Change
Personnel expenses	2,868	2,766	3.7%
Other costs	2,313	2,446	-5.4%
Amortisation/Depreciation	294	307	-4.2%
Total cost by nature	5,475	5,519	-0.8%

SERVICE BUSINESS

(€/000)			
ANALYSIS OF COSTS	30/09/2011	30/09/2010	Change
Personnel expenses	722	404	78.7%
Other costs	862	701	23.0%
Amortisation/Depreciation	19	4	375.0%
Total cost by nature	1,603	1,109	44.6%

Personnel costs and general expenses are allocated to operating expenses (and specifically to “Other administrative costs”). Depreciation and amortisation costs are allocated to the “Other costs” item in the income statement.

Operating costs

The following table shows the total amount of insurance operating costs (Non-Life and Life) as reported in the income statement by business segment:

	(€/000)		
	30/09/2011	30/09/2010	Change
Gross commissions and other acquisition costs	127,537	110,055	15.9%
Profit participation and other commissions received from reinsurers	-5,517	-4,762	15.9%
Investment management costs	577	544	6.1%
Other administrative costs	16,948	13,475	25.8%
Total	139,545	119,312	17.0%

Employees

As at 30 September 2011 Vittoria Assicurazioni and fully consolidated companies had 536 employees vs. 521 as at 31 December 2010 and 511 as at 30 September 2010.

The average number of employees on the payroll, split by contractual category and calculated on an active in-force basis, was as follows:

	30/09/2011	30/09/2010	31/12/2010
Managers	25	23	23
Officers	131	127	127
Administrative staff	376	353	360
Total	532	503	510

Investments – Cash & cash equivalents - Property

Investments, cash & cash equivalents, and property reached a value of € 2,184,268 thousand with an increase of € 40,118 thousand vs. 31/12/2010, i.e. +1.9%. The detailed breakdown is shown in the following table:

(€/000)				
INVESTMENTS - CASH AND CASH EQUIVALENTS - PROPERTY		30/09/2011	31/12/2010	Change
A	Investments in subsidiaries and associates and interests in joint ventures	102,761	102,616	0.1%
B	Held to maturity investments	97,439	96,334	1.1%
	Loans and receivables	42,840	43,778	-2.1%
	- Reinsurance deposits	249	249	
	- Other loans and receivables	42,591	43,529	
C	Financial assets available for sale	1,325,399	1,265,971	4.7%
	- Equity investments	37,741	43,509	
	- OEIC units	9,504	10,282	
	- Bonds and other fixed-interest securities	1,278,154	1,212,180	
	Financial assets at fair value through profit or loss	71,970	83,361	-13.7%
D	Financial assets held for trading	5,382	5,672	-5.1%
	- Bonds and other fixed-interest securities held for trading	5,382	5,672	
E	Financial assets at fair value through profit or loss	66,588	77,689	-14.3%
	- Investments where policyholders bear the risk	66,588	77,689	
	Cash and cash equivalents	77,087	93,797	-17.8%
F	Property	466,772	458,293	1.9%
	Property under construction	287,464	275,425	
	Property held for trading	86,087	92,587	
	Owner-occupied property	93,221	90,281	
	TOTAL INVESTMENTS	2,184,268	2,144,150	1.9%
	of which			
	investments where the Group bears the risk	2,117,680	2,066,461	2.5%
	investments where policyholders bear the risk	66,588	77,689	-14.3%

Investments with risk borne by Group

Investments with risks borne by the Group totalled € 2,117,680 thousand (€ 2,066,461 thousand as at 31 December 2010).

The following transactions took place during the first 9 months of 2011:

B) Investments held to maturity:

- redemption of bonds for € 115 thousand.

C) Financial assets available for sale:

- purchases of Eurozone government securities (Germany and Italy) for € 336,821 thousand;
- sales of Eurozone government securities (French and Italy) for € 102,703 thousand, realising a capital gain of € 6,564 thousand;
- redemption of bonds for € 123,880 thousand;
- sale of no. 3,500,000 ordinary shares of Camfin for € 1,295 thousand, realising a capital gain of € 504 thousand;
- shares subscription for € 46 thousand in BCC Inzago bank;
- shares subscription for € 50 thousand in BCC Vomano bank;
- receipt of € 155 thousand as a partial advance for liquidation of the Swissair bond in default, recognised as capital gain;
- partial repayment of a closed-end real estate fund for € 188 thousand recognising a capital loss for € 5 thousand;
- impairment on equity and OEIC units investments for a gross amount of € 2,479 thousand;

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 fair value would lead to an impact of about € -900 thousand on the Group's accounts.

D) Financial assets held for trading:

- Acquisitions coming from surrenders and non-signature of policies (pursuant to Article 41, paragraph 2 of Italian Legislative Decree no. 209 of 7 September 2005) for € 245 thousand;
- losses of € 6 thousand recognised for expiry of the unexercised Mediobanca warrant.

Investments where policyholders bear the risk

E) Investments benefiting Life policyholders who bear related risk and those arising from pension fund management

As at 30 September 2011 these investments amounted to € 66,588 thousand, decreasing by 14.3% YoY. Of this amount, € 56,603 thousand related to unit - and index - linked policies and € 9,985 thousand to the open-ended pension fund Vittoria Formula Lavoro.

Total net income amounted to € 7,616 thousand.

The value of investments in securities amounted to € 64,247 thousand (€ 73,972 thousand as at 31 December 2010).

Their breakdown was as shown in the following table:

	(€/000)		
	30/09/2011	31/12/2010	Change %
Equity investments	6,654	8,379	-20.6
Unit trusts and OEICs	31,691	34,854	-9.1
Bonds and other fixed-interest securities	13,794	18,679	-26.2
Index-linked derivative notes	12,107	12,060	0.4
Total Investments in securities	64,247	73,972	-13.2
Cash and other assets	2,341	3,717	-37.0
Investments benefiting policyholders who bear relating risk and those arising from pension fund management	66,588	77,689	-14.3

As at 30 September 2011 the status of the three segments of Vittoria Assicurazioni's open-ended pension fund was as follows:

	Members		Assets (€/000)	
	30/09/2011	31/12/2010	30/09/2011	31/12/2010
Previdenza Garantita	277	288	2,587	2,339
Previdenza Equilibrata	319	314	3,482	2,979
Previdenza Capitalizzata	377	378	3,916	3,504

Changes in securities

The following table illustrates the changes recorded up through 30 September 2011 in financial assets with the risk borne by Group Companies for equity investments, bonds and other fixed-income securities, and OEIC units, and changes in the assets where the risk is borne by policyholders and related to pension funds:

(€/000)								
	Held to maturity investments	Financial assets available for sale				Financial assets at fair value through profit or loss	Financial assets held for trading	Total
		Equity investments	OEIC units	Bonds and other fixed-interest securities	Total	Assets where the risk is borne by policyholders and related to pension funds	Bonds and other fixed-interest securities	
Carrying amount at 31/12/2010	96,334	43,509	10,282	1,212,180	1,265,971	77,689	5,672	1,445,666
Acquisitions and subscriptions	-	96	-	336,821	336,917	13,385	245	350,547
Sales and repayments	-115	-792	-193	-226,573	-227,558	-15,210	-	-242,883
Other changes:								
- effective interest adjustments	1,425	-	-	2,767	2,767	-	-	4,192
- fair value adjustments	-	-3,478	809	-34,407	-37,076	-1,389	-529	-38,994
- impairment loss	-	-1,098	-1,381	-	-2,479	-	-	-2,479
- rate changes	-205	-496	-13	-12,634	-13,143	-	-	-13,348
- other changes	-	-	-	-	-	-7,887	-6	-7,893
Carrying amount at 30/09/2011	97,439	37,741	9,504	1,278,154	1,325,399	66,588	5,382	1,494,808

F) Investments in property

As at 30 September 2011, real estate assets totalled € 466,772 thousand (+1.9% vs. 31 December 2010). The following table shows the breakdown and changes of these real estate assets:

(€/000)				
	Property under construction	Property held for trading	Owner-occupied property	Total
Balance as at 31/12/2010	275,425	92,587	90,281	458,293
Purchase and capitalised interests paid				
- MILAN - Portello Area (via Acacia 2000 S.r.l. and Lauro 2000 S.r.l.)	14,440	-	3,608	18,048
- PARMA (via Immobiliare Bilancia Prima S.r.l.)	34	-	-	34
- SAN DONATO MILANESE (MI) - (via Jannozzi S.r.l.)	3,215	-	-	3,215
- SAN DONATO MILANESE (MI) - (via Vittoria Immobiliare S.p.A.)	308	-	-	308
- ROME (via Valsalaria S.r.l.)	0	-	-	0
- TURIN - Villar Focchiardo Street - (via Vittoria Immobiliare S.p.A.)	21	-	-	21
- TURIN - Barbaroux Str. - (via Vittoria Immobiliare S.p.A.)	-	555	-	555
- GENOA - De Ferrari Sq., Conservatori del Mare Str., Orefici Str. (via Vaimm Sviluppo S.r.l.)	-	3,524	-	3,524
- MILAN - Adamello Str. (via Forum Mondadori Residenze S.r.l.)	-	104	-	104
- GENOA - Venezia Street (via Immobiliare Bilancia S.r.l.)	-	160	-	160
- TURIN - Cairoli Street (via Cadorna Real Estate S.r.l.)	-	896	-	896
- Miscellaneous	14	0	-	14
Total purchase and capitalised interests paid	18,032	5,239	3,608	26,879
Sales:				
- TURIN - Cairoli Street (via Cadorna Real Estate S.r.l.)	-	(13,661)	-	(13,661)
- TURIN - Villarfocchiardo (via Vittoria Immobiliare S.r.l.)	(1,059)	-	-	(1,059)
- PESCHIERA BORROMEO (MI) - (via Vittoria Immobiliare S.p.A.)	(680)	(350)	-	(1,030)
- ROMA - former Aurora (via Vittoria Immobiliare S.p.A.)	-	960	-	(960)
- MILAN - San Donato Milanese (via Vittoria Immobiliare S.p.A.)	(5,620)	-	-	(5,620)
- Miscellaneous	-	(155)	-	(155)
Total sales	(7,359)	(15,126)	-	(22,484)
Depreciations	-	-	(663)	(663)
Recognised gains	1,365	3,386	(5)	4,746
Balance as at 30/09/2011	287,464	86,087	93,221	466,772

Financial liabilities

The following table shows the breakdown of financial liabilities relating to contracts for which policyholders bear investment risk and of other financial liabilities, highlighting subordinated liabilities:

(€/000)

FINANCIAL LIABILITIES	30/09/2011	31/12/2010	Change
Financial liabilities where the investment risk is borne by policyholders and arising from pension fund management	66,588	77,689	-14.3%
- Financial liabilities where the investment risk is borne by policyholders relating to index- and unit-linked policies	56,603	67,059	
- Financial liabilities where the investment risk is borne by policyholders relating to pension funds	9,985	10,630	
Othe financial liabilities	287,493	302,825	-5.1%
- Reinsurance deposits	27,662	27,662	
- Payables to banks	241,283	255,421	
- Other financial payables	7,824	7,978	
- Other financial liabilities	10,724	11,457	
- Subordinated liabilities	-	307	
TOTAL FINANCIAL LIABILITIES	354,081	380,514	-6.9%

The following table shows the cumulative change as up to 30 September 2011 of financial liabilities relating to investments for which policyholders bear investment risk and to liabilities concerning pension fund management:

(€/000)

	Benefits relating to unit-linked and index-linked policies	Benefits relating to pension fund management	Total
Carrying amount at 31/12/2010	67,059	10,630	77,689
Investment of net fund assets	36	400	436
Profits attributable to policyholders	-6,642	-974	-7,616
Amounts paid	-3,850	-71	-3,921
Carrying amount at 30/09/2011	56,603	9,985	66,588

Gains and losses on investments

The following table shows the breakdown as at 30 September 2011 of net gains on investments, with separate disclosure of investments where the risk is borne by life policyholders:

(€/000)				
Gains and losses on investments	Realised gains/ (losses)	Unrealised gains/ (losses)	30/09/2011 total net gains/(losses)	30/09/2010 total net gains/(losses)
Investments	49,056	-12,041	37,015	39,542
From:				
b investments in subsidiaries and associates and interests in joint ventures	2,873	-	2,873	-3,922
c held to maturity investments	3,269	-	3,269	3,192
d loans and receivables	550	-1	549	529
e financial assets available for sale	40,920	-2,479	38,441	33,950
f financial assets held for trading	34	-535	-501	279
g financial assets at fair value through profit or loss	1,410	-9,026	-7,616	5,514
Other receivables	539	-	539	410
Cash and cash equivalents	1,218	-	1,218	462
Financial liabilities	-4,043	7,616	3,573	-8,490
From:				
b financial liabilities at fair value through profit or loss	-	7,616	7,616	-5,514
c other financial liabilities	-4,043	-	-4,043	-2,976
Total gains and losses on financial instruments	46,770	-4,425	42,345	31,924
Real estate business				
From:				
a Gains on property trading	4,746	-	4,746	12,254
b Rent income on owner-occupied property and property held for trading	203	-	203	366
Total real estate business	4,949	-	4,949	12,620
Total gains and losses on investments	51,719	-4,425	47,294	44,544

The net income with the risk borne by the Group increased from € 44,544 thousand to € 47,294 thousand, increasing by 6.2% from the same period in the previous year, due to the realised gains on government securities classified in financial assets available for sale.

As up to 30 September 2011 the weighted average return on "Bonds and other fixed-income securities" was 4.3% as compared with 3.8% in 3Q10.

Other revenues

The following table reiterates real-estate income, as shown in the previous table, and provides the link to "Other revenues" as shown in the consolidated income statement:

	(€/000)	
Other Revenues	30/09/2011	30/09/2010
Total income from real estate business	4,949	12,620
Brokerage and management revenues	1,677	2,487
Other technical captions - insurance business	2,632	3,650
Other revenues - real estate business	106	1,667
Other revenues - insurance business	575	391
Other revenues - service business	5	2
Total	9,944	20,817

Net Equity

The breakdown of equity as at 30 September 2011 is shown in the following table:

	(€/000)	
BREAKDOWN OF EQUITY	30/09/2011	31/12/2010
Total equity attributable to the shareholders of the parent	347,189	354,837
Share capital	67,379	67,379
Other equity instruments	-	23
Equity-related reserves	33,874	33,874
Income-related and other reserves	234,507	218,888
Translation reserve	-823	148
Fair value reserve	-14,817	7,368
Other gains or losses recognised directly in equity	54	106
Group profit for the year	27,015	27,051
Total equity attributable to minority interests	25,818	26,108
Share capital and reserves attributable to minority interests	25,489	25,445
Minority interests' profit for the year	329	663
Total consolidated equity	373,007	380,945

Significant events occurring after quarter-end

Insurance Business

On 17 October 2011 the merger by incorporation of the wholly owned subsidiary Lauro 2000 S.r.l. in Vittoria Assicurazioni S.p.A. was completed, in accordance with the deed of merger signed on 12 October 2011.

The Board of Directors

Milan, 10 November 2011

Consolidated interim financial statements

(€/000)

INCOME (LOSS) STATEMENT	30/09/2011	30/09/2010	31/12/10	3Q11	3Q10
Net premiums	617,019	527,216	732,692	209,086	167,606
<i>Gross premiums</i>	634,045	541,403	767,508	214,764	173,392
<i>Ceded premiums</i>	17,026	14,187	34,816	5,678	5,786
Commission income	782	799	839	220	369
Gains or losses on remeasurement of financial instruments at fair value through profit or loss	-501	279	279	-625	389
Gains on investments in subsidiaries and associates and interests in joint ventures	4,863	529	547	3,837	326
Gains on other financial instruments and investment property	46,501	46,990	46,990	46,990	46,990
<i>Interest income</i>	39,074	37,672	50,550	13,460	12,623
<i>Other income</i>	204	628	837	19	284
<i>Realised gains</i>	7,223	267	2,423	70	0
<i>Unrealised gains</i>	0	0	100	1	0
Other income	9,944	20,817	25,476	797	3,373
TOTAL REVENUE	678,608	573,576	573,576	573,576	573,576
Net charges relating to claims	462,302	375,909	375,909	375,909	375,909
<i>Amounts paid and change in technical reserves</i>	468,096	418,840	583,525	162,324	132,485
<i>Reinsurers' share</i>	-5,794	-3,777	-16,867	-4,516	-3,061
Commission expense	65	63	64	31	9
Losses on investments in subsidiaries and associates and interests in joint ventures	1,990	4,451	4,896	-185	2,076
Losses on other financial instruments and investment property	6,528	3,000	4,103	3,393	1,072
<i>Interest expense</i>	4,043	2,976	3,969	2,011	1,048
<i>Other expense</i>	0	0	0	0	0
<i>Realised losses</i>	5	24	134	0	24
<i>Unrealised losses</i>	2,480	0	0	1,382	0
Operating costs	141,770	123,016	177,277	43,715	37,707
<i>Commissions and other acquisition costs</i>	118,020	103,222	144,468	36,830	32,063
<i>Investment management costs</i>	577	544	681	185	205
<i>Other administrative costs</i>	23,173	19,250	32,128	6,700	6,302
Other costs	19,812	12,638	14,702	5,617	3,065
TOTAL COSTS	632,467	558,231	767,700	210,379	174,216
PROFIT FOR THE YEAR BEFORE TAXATION	46,141	29,976	46,043	16,486	10,754
Income taxes	18,797	12,680	18,329	6,251	4,469
PROFIT FOR THE YEAR	27,344	17,296	27,714	10,235	6,285
GAIN (LOSS) ON DISCONTINUED OPERATIONS	0	0	0	0	0
CONSOLIDATED PROFIT (LOSS)	27,344	17,296	27,714	10,235	6,285
of which attributable to the shareholders of the parent	27,015	16,725	27,051	10,389	6,343
of which attributable to minority interests	329	571	663	-154	-58

Basic EARNINGS per share	0.40	0.25	0.40	0.15	0.10
Diluted EARNINGS per share	0.40	0.25	0.40	0.15	0.09

OTHER COMPREHENSIVE INCOME (LOSS)	30/09/2011	30/09/2010	31/12/2010	3Q11	3Q10
CONSOLIDATED PROFIT (LOSS)	27,344	17,296	27,714	10,235	6,285
Translation reserve	-971	346	345	-971	323
Fair value reserve	-22,185	4,283	-18,267	-18,076	9,018
Hedging reserve	0	0	0	0	0
Gains or losses on hedging instruments of net investment in foreign operations	0	0	0	0	0
Reserve for changes in the equity of investees	-52	56	56	70	-53
Intangible asset revaluation reserve	0	0	0	0	0
Property, plant and equipment revaluation reserve	0	0	0	0	0
Gains or losses on non-current assets or assets of a disposal group classified as held for sale	0	0	0	0	0
Other reserves	0	0	0	0	0
OTHER COMPREHENSIVE INCOME (LOSS) NET OF TAX	-23,208	4,685	-17,866	-18,977	9,288
COMPREHENSIVE INCOME (LOSS)	4,136	21,981	9,848	-8,742	15,573
of which attributable to the shareholders of the parent	3,807	21,410	9,185	-8,588	15,631
of which attributable to minority interests	329	571	663	-154	-58

Vittoria Assicurazioni S.p.A.
 Consolidated interim financial statements as at 30 September 2011
Income statement by business and business line

(€/000)

	Non-life business		Life business		Real estate business		Service business		Intersegment eliminations		Net gains and costs/losses	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010	30/09/2011	30/09/2010	30/09/2011	30/09/2010	30/09/2011	30/09/2010	30/09/2011	30/09/2010
Net premiums	533,270	424,382	83,749	102,834	0	0	0	0	0	0	617,019	527,216
Gross premiums	549,109	437,247	84,936	104,156	0	0	0	0	0	0	634,045	541,403
Ceded premiums	15,839	12,865	1,187	1,322	0	0	0	0	0	0	17,026	14,187
Commission income	0	0	782	799	0	0	0	0	0	0	782	799
Gains or losses on remeasurement of financial instruments at fair value through profit or loss	-7	-98	-494	377	0	0	0	0	0	0	-501	279
Gains on investments in subsidiaries and associates and interests in joint ventures	4,894	388	1,649	2,159	169	-3	18	6	-1,867	-2,021	4,863	529
Gains on other financial instruments and investment property	20,123	14,345	25,468	23,580	901	638	9	4	0	0	46,501	38,567
Other income	3,561	4,680	66	187	6,541	16,202	4,317	2,361	-4,541	-2,613	9,944	20,817
TOTAL REVENUE	561,841	443,697	111,220	129,936	7,611	16,837	4,344	2,371	-6,408	-4,634	678,608	588,207
Net charges relating to claims	375,535	307,788	88,411	106,145	0	0	0	0	-1,644	1,130	462,302	415,063
Amounts paid and change in technical reserves	380,719	310,260	89,021	107,450	0	0	0	0	-1,644	1,130	468,096	418,840
Reinsurers' share	-5,184	-2,472	-610	-1,305	0	0	0	0	0	0	-5,794	-3,777
Commission expense	0	0	65	63	0	0	0	0	0	0	65	63
Losses on investments in subsidiaries and associates and interests in joint ventures	1,801	3,766	0	0	189	685	0	0	0	0	1,990	4,451
Losses on other financial instruments and investment property	1,211	182	2,158	806	3,145	2,010	14	2	0	0	6,528	3,000
Operating costs	128,122	106,830	11,423	12,481	5,180	5,213	1,603	1,090	-4,558	-2,598	141,770	123,016
Other costs	14,109	8,861	1,607	590	1,475	1,895	2,621	1,292	0	0	19,812	12,638
TOTAL COSTS	520,778	427,427	103,664	120,085	9,989	9,803	4,238	2,384	-6,202	-1,468	632,467	558,231
PROFIT FOR THE YEAR BEFORE TAXATION	41,063	16,270	7,556	9,851	-2,378	7,034	106	-13	-206	-3,166	46,141	29,976

Vittoria Assicurazioni S.p.A.
 Consolidated interim financial statements as at 30 September 2011
Detail of insurance technical items

(€/000)

	30/09/2011			30/09/2010		
	Gross amount	Reinsurer's share of amount	Net amount	Gross amount	Reinsurers' share of amount	Net amount
Non-life business						
NET PREMIUMS			533,270	437,247	12,865	424,382
a Premiums written	549,109	15,839	533,270	437,247	12,865	424,382
b Change in premiums reserve	568,469	16,632	551,837	458,443	14,802	443,641
	19,360	793	18,567	21,196	1,937	19,259
NET CLAIMS COSTS	380,719	5,184	375,535	310,260	2,472	307,788
a Amounts paid	329,362	5,485	323,877	274,810	9,050	265,760
b Change in claims reserves	64,495	1,504	62,991	49,117	-5,122	54,239
c Change in recoveries	13,138	1,805	11,333	11,667	1,456	10,211
d Change in other technical reserves	0	0	0	-2,000	0	-2,000
Life business						
NET PREMIUMS	84,936	1,187	83,749	104,156	1,322	102,834
NET CLAIMS COSTS	89,021	610	88,411	107,450	1,305	106,145
a Amounts paid	89,452	2,998	86,454	96,037	402	95,635
b Change in reserve for amounts to be paid	-12,314	-373	-11,941	-5,804	0	-5,804
c Change in mathematical reserves	12,337	-2,014	14,351	16,991	902	16,089
d Change in technical reserves when investment risk is borne by policyholders and in reserves arising from pension fund management	0	0	0	0	0	0
e Change in other technical reserves	-454	-1	-453	226	1	225

Declaration of Corporate Financial Reporting Manager

The Corporate Financial Reporting Manager, Mario Ravasio, herewith declares, pursuant to paragraph 2, Article 154/2 of the Italian Legislative Decree February 24th 1998 n.58, that the accounting disclosure contained in this Consolidated quarterly report at 30 September 2011 matches documentary evidence, corporate books, and accounting records.

Milan, 10 November 2011

Mario Ravasio
*The Corporate Financial
Reporting Manager*