



# Vittoria Assicurazioni

## PRESS RELEASE

### 2009 half-year results

#### Group consolidated results

- Group net profit: € 8.2 million (-25.7%)
- Group net Equity: € 337.3 million (+1.0% vs. 31/12/2008)
- Total comprehensive income: € 14.6 million (€ -3.6 million at 30/06/2008)
- Total insurance volumes: € 311.1 million (-1.9%)

#### Parent Company's (Vittoria Assicurazioni SpA) results

- Net profit: € 12.5 million (-54.1%)
- Life premiums: € 51.7 million (-19.2%)
- Non-life premiums: € 259.2 million (+2.5%)
- Non-life loss ratio: 72.9% (70.0% for the 2008 first half)
- Non-life combined ratio: 99.8% (96.9% for the 2008 first half)

The Board of Directors of Vittoria Assicurazioni, which met today, has reviewed the 2009 half year results.

#### Consolidated results (IFRSs)

Reported results for the 2009 half year show a Group net profit of € 8.2 million vs. € 11.0 million for the same period in 2008 (-25.7%).

The Group's comprehensive income statement as at 30 June 2009 - which includes income items recognised in the net equity ( i.e. changes in unrealised capital gains, etc.) – shows a profit of € 14.6 million (vs. a loss of € -3.6 million as at 30 June 2008 and a profit of € 17.6 million as at 31 December 2008).

The Group net equity amounts to € 337.3 million, increasing vs. the amount of € 333.8 million reported as at 31 December 2008.

Total insurance volumes for the 2009 half year amounts to € 311.1 million (-1.9% vs. € 317.2 million for the same period in 2008).

Retained premium show a total decrease of -2.0%, as a result of a decrease in the Life business; retained Non-Life premiums increased in the period by +2.3%.

Motor line of business is beginning to show an increase in the loss frequency; this, together with the disclosure of the new and updated compensation tables issued by the Milan Court, is likely to demand adjustments to the pricing policy currently in force.

Other non-motor line of business are impacted by some major losses and the current financial market turmoil is preventing an adequate development of the insurance volumes; at the same time some relevant increases in claims are registered , mainly related to property damages. However adequate technical measures to face the situation are already under way.

Total investments amount to € 2,014.9 million (+2.8% with respect to 31 December 2008), of which € 74.3 million (+5.9%) relate to investments with risk borne by policyholders and € 1,940.6 million (+2.7%) relate to investments with risk borne by the Group.

Net income from investments with risk borne by the Group amounts to € 25.6 million vs. € 26.0 million for the same period in 2008 (-1.9%).

The volatility arising from the current financial markets confirms effectiveness of the low risk financial approach applied by the Group, which aims at generating stable results over the years.

Notwithstanding the uncertainties resulting from the current economic environment, confident on the capital solidity of the Group and on the accomplishment of the investment plans which took place in the first half of the year (set up of 15 agencies and 45 sub-agencies as at the end of June with similar plans for the remaining part of the year), the Group deems it appropriate to confirm all development plans underway, in the awareness that forecast results will positively impact the Consolidated Financial Statements over a longer period of time. Furthermore the Group confirms its intent to maintain the Parent Company dividend policy.

#### Parent Company's (Vittoria Assicurazioni SpA) results (Italian GAAPs)

Reported half year results show a net profit of € 12.5 million (vs. € 27.2 million for the same period in 2008) with a decrease of -54.1%.

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

- Lower contribution from investments than in the previous year as the 2008 half year reflected dividends of € 19.2 million from Yarpa International Holding BV and Laumor BV only partly off-set by a € 7.8 million write-down of the participation in Cam Finanziaria SpA;
- Reduction of the Non-Life technical result, which, although positive, decreases by € 6.7 million;
- Reduction in the Life technical result by € 1.1 million.

Direct Premium underwritten amount to a total of € 310.9 million, with a decrease of -1.9% vs. the same 2008 period.

Direct Life Premium decrease by -19.2% vs. those of the 2008 half year.

Non-Life Premium show a total increase of +2.5% vs. those of the 2008 half year.

Motor premium increase by 3.9%. Non motor premium decrease by -1.6%, while other non life premium growth is 4.7%.

Retained Non-Life premium increase by 2.3% with respect to the previous half year period

The retained Non-Life loss ratio is 72.9% (vs. 70.0% in 1H08)<sup>1</sup>.

The half-year Non-Life combined ratio<sup>2</sup> increases from 96.9 % to 99.8%.

The 2009 half year expense ratio (operating expenses as a percentage of premium underwritten) decreases by 23.5%, vs. 24.3% in the 2008 half year period.

As at 30 June 2009, following conversions requested for the bond loan, the share capital rose from € 65,766,210 to € 65,777,370.

The Parent Company's net equity amounts to € 261.1 million (vs. € 259.7 million as at 31 December 2008).

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<sup>1</sup> incurred claims / earned premium - retained business

<sup>2</sup> (incurred claims + administration expenses + intangible asset amortisation + other technical charges) / earned premium - 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 2009

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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 Sala Scelsi Farina BDO, independent auditors.

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#### **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 260 agencies, 420 sub-agencies and agreements with over 240 bank branches. Vittoria's mission is to be the elective insurer of families and small and medium enterprises.

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## INCOME (LOSS) STATEMENT

(€/000)

		30/6/09	30/6/08
1.1	Net premiums	291.607	294.069
1.1.1	Gross premiums	301.621	304.413
1.1.2	Ceded premiums	10.014	10.344
1.2	Commission income	354	568
1.3	Gains or losses on remeasurement of financial instruments at fair value through profit or loss	123	-331
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	991	4.956
1.5	Gains on other financial instruments and investment property	25.364	46.990
1.5.1	Interest income	25.143	29.696
1.5.2	Other income	138	226
1.5.3	Realised gains	82	309
1.5.4	Unrealised gains	1	5
1.6	Other income	7.998	8.902
<b>1</b>	<b>TOTAL REVENUE</b>	<b>326.437</b>	<b>573.576</b>
2.1	Net charges relating to claims	228.054	375.909
2.1.1	Amounts paid and change in technical reserves	246.424	224.352
2.1.2	Reinsurers' share	-18.370	-2.729
2.2	Commission expense	73	219
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	1.877	344
2.4	Losses on other financial instruments and investment property	2.486	11.841
2.4.1	Interest expense	2.389	4.018
2.4.2	Other expense	0	0
2.4.3	Realised losses	97	0
2.4.4	Unrealised losses	0	7.823
2.5	Operating costs	74.029	77.123
2.5.1	Commissions and other acquisition costs	60.118	62.361
2.5.2	Investment management costs	410	438
2.5.3	Other administrative costs	13.501	14.324
2.6	Other costs	6.725	5.771
<b>2</b>	<b>TOTAL COSTS</b>	<b>313.244</b>	<b>521.707</b>
	<b>PROFIT FOR THE YEAR BEFORE TAXATION</b>	<b>13.193</b>	<b>51.869</b>
3	Income taxes	5.265	10.744
	<b>PROFIT FOR THE YEAR</b>	<b>7.928</b>	<b>36.525</b>
4	<b>GAIN (LOSS) ON DISCONTINUED OPERATIONS</b>	<b>0</b>	<b>0</b>
	<b>CONSOLIDATED PROFIT (LOSS)</b>	<b>7.928</b>	<b>36.525</b>
	<b>of which attributable to the shareholders of the parent</b>	<b>8.193</b>	<b>11.027</b>
	<b>of which attributable to minority interests</b>	<b>-265</b>	<b>-292</b>

Basic EARNINGS per share	0,12	0,17
Diluted EARNINGS per share	0,12	0,17

## COMPREHENSIVE INCOME (LOSS) STATEMENT

	30/06/2009	30/06/2008
<b>CONSOLIDATED PROFIT (LOSS)</b>	<b>7.928</b>	<b>10.735</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
Translation reserve	-399	12
Fair value reserve	8.612	-18.203
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	76	-40
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
Income tax benefit (expense) on the above differences	-1.862	3.628
<b>OTHER COMPREHENSIVE INCOME (LOSS) NET OF TAX</b>	<b>6.427</b>	<b>-14.603</b>
<b>COMPREHENSIVE INCOME (LOSS)</b>	<b>14.355</b>	<b>-3.868</b>
<b>of which attributable to the shareholders of the parent</b>	<b>14.620</b>	<b>-3.576</b>
<b>of which attributable to minority interests</b>	<b>-265</b>	<b>-292</b>

**BALANCE SHEET - ASSETS**

(€/000)

		30/06/2009	31/12/2008
<b>1</b>	<b>INTANGIBLE ASSETS</b>	<b>24,435</b>	<b>21,437</b>
1.1	Goodwill	0	0
1.2	Other intangible assets	24,435	21,437
<b>2</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>	<b>407,902</b>	<b>386,075</b>
2.1	Property	403,771	381,771
2.2	Other items of property, plant and equipment	4,131	4,304
<b>3</b>	<b>REINSURERS' SHARE OF TECHNICAL RESERVES</b>	<b>79,218</b>	<b>66,088</b>
<b>4</b>	<b>INVESTMENTS</b>	<b>1,526,285</b>	<b>1,480,449</b>
4.1	Investment property	0	0
4.2	Investments in subsidiaries and associates and interests in joint ve	96,546	95,653
4.3	Held to maturity investments	93,335	104,858
4.4	Loans and receivables	43,408	44,806
4.5	Financial assets available for sale	1,213,073	1,160,251
4.6	Financial assets at fair value through profit or loss	79,923	74,881
<b>5</b>	<b>OTHER RECEIVABLES</b>	<b>159,754</b>	<b>175,137</b>
5.1	Receivables relating to direct insurance	126,138	144,869
5.2	Receivables relating to reinsurance business	5,386	6,230
5.3	Other receivables	28,230	24,038
<b>6</b>	<b>OTHER ASSETS</b>	<b>65,657</b>	<b>66,566</b>
6.1	Non-current assets or assets of a disposal group classified as held for sale	0	0
6.2	Deferred acquisition costs	7,682	8,168
6.3	Deferred tax assets	20,988	19,196
6.4	Current tax assets	31,194	34,675
6.5	Other assets	5,793	4,527
<b>7</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b>84,817</b>	<b>97,488</b>
	<b>TOTAL ASSETS</b>	<b>2,348,068</b>	<b>2,293,240</b>

**BALANCE SHEET - EQUITY AND LIABILITIES**

(€/000)

		<b>30/06/2009</b>	<b>31/12/2008</b>
<b>1</b>	<b>EQUITY</b>	<b>366,129</b>	<b>363,092</b>
<b>1.1</b>	<b>attributable to the shareholders of the parent</b>	<b>337,312</b>	<b>333,846</b>
1.1.1	Share capital	65,777	65,766
1.1.2	Other equity instruments	321	323
1.1.3	Equity-related reserves	31,395	31,378
1.1.4	Income-related and other reserves	216,119	207,129
1.1.5	(Treasury shares)	0	0
1.1.6	Translation reserve	-1,156	-757
1.1.7	Fair value reserve	16,638	9,888
1.1.8	Other gains or losses recognised directly in equity	25	-51
1.1.9	Profit for the year attributable to the shareholders of the parent	8,193	20,170
<b>1.2</b>	<b>attributable to minority interests</b>	<b>28,817</b>	<b>29,246</b>
1.2.1	Share capital and reserves attributable to minority interests	29,082	29,336
1.2.2	Gains or losses recognised directly in equity	0	0
1.2.3	Profit for the year attributable to minority interests	-265	-90
<b>2</b>	<b>PROVISIONS</b>	<b>3,408</b>	<b>3,758</b>
<b>3</b>	<b>TECHNICAL RESERVES</b>	<b>1,492,753</b>	<b>1,448,844</b>
<b>4</b>	<b>FINANCIAL LIABILITIES</b>	<b>381,922</b>	<b>361,275</b>
4.1	Financial liabilities at fair value through profit or loss	74,262	70,100
4.2	Other financial liabilities	307,660	291,175
<b>5</b>	<b>PAYABLES</b>	<b>51,111</b>	<b>64,703</b>
5.1	Payables arising from direct insurance business	3,405	8,226
5.2	Payables arising from reinsurance business	9,359	8,233
5.3	Other sums payable	38,347	48,244
<b>6</b>	<b>OTHER LIABILITIES</b>	<b>52,745</b>	<b>51,568</b>
6.1	Liabilities of a disposal group held for sale	0	0
6.2	Deferred tax liabilities	29,054	27,555
6.3	Current tax liabilities	762	933
6.4	Other liabilities	22,929	23,080
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,348,068</b>	<b>2,293,240</b>

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

(in thousand of euros)

	30/06/2009	30/06/2008	31/12/08
Technical account			
Life businesses:			
Direct insurance			
(+) Gross premiums accounted for	51,715	63,969	114,510
(-) Charges relating to claims	50,299	71,114	135,027
(-) Change in mathematical and other technical reserves	10,626	-15,735	-42,662
(+) Other technical captions, net	261	360	495
(-) Operating costs	7,881	12,456	20,521
(+) Return on investments where the company bears the risk net of the portion transferred to the non-technical account	14,597	15,402	26,417
(+) income on investments where policyholders bear the risk - Class D	4,896	-7,528	-20,395
Direct insurance result	2,663	4,368	8,141
Outwards reinsurance result	463	-120	-66
Retained direct insurance result	3,126	4,248	8,075
Indirect and retroceded insurance result	-18	-33	-69
Result of life business technical account	3,108	4,215	8,006
Non-life businesses:			
Direct insurance			
(+) Gross premiums accounted for	259,183	252,957	515,706
(-) Change in premium reserve	8,088	11,302	14,457
(-) Charges relating to claims	193,821	164,850	359,017
(-) Change in other technical reserves	-	211	482
(+) Other technical captions, net	-597	723	867
(-) Operating costs	65,134	64,627	132,190
Direct insurance result	-8,457	12,690	10,427
Outwards reinsurance result	10,788	-3,641	-2,655
Retained direct insurance result	2,331	9,049	7,772
Indirect and retroceded insurance result	51	86	155
Total retained direct insurance result	2,382	9,135	7,927
(-) Change in equalisation reserves	146	139	287
(+) Income on investments transferred from the non-technical account	9,897	17,459	30,262
Result of non-life business technical account	12,133	26,455	37,902
Result of technical account	15,241	30,670	45,908
(+) Income on non-life business investments net of the portion transferred to the technical account	2,476	3,726	7,034
(+) Income on investments transferred from the life business technical account	1,894	1,961	-
(+) Other income	1,155	1,619	3,826
(-) Other charges	3,058	3,339	4,848
Result of ordinary business	17,708	34,637	51,920
(+) Extraordinary income	322	528	1,040
(-) Extraordinary expense	105	37	168
Profit (loss) before taxation	17,925	35,128	52,792
(-) Taxation on profit for the year	5,427	7,891	14,853
Net profit (loss)	12,498	27,237	37,939