



## Vittoria Assicurazioni

### PRESS RELEASE

#### Results for first 9 months of 2008

##### Group consolidated results

- Group profit attributable to parent company shareholders: € 21.4 million (vs. € 88.5 million, inclusive of € 66.3 million capital gain on sale of Cogedim SA, in first 9 months of 2007)
- Group Net Equity: € 328.8 million (+2.5% vs. 320.8 million as at 31 December 2007)
- Total premiums as per IFRS definition: € 441.0 million (+0.1%)
  - Life, direct business: € 80.5 million (-10.9%)
  - Non-Life, direct business: € 360.1 million (+2.9%)
- Non-Life loss ratio, net of reinsurance: 71.4% (69.9% in first 9 months of 2007)
- Non-Life combined ratio, net of reinsurance: 97.7% (97.8% in first 9 months of 2007)
- Medium-term strategic objectives confirmed.

##### Start date of capital increase

- Date of effect of bonus capital increase resolved by Shareholders' Meeting: 17/11/2008

The Board of Directors of Vittoria Assicurazioni, which met today in Milan to review results as up to the end of the third quarter of 2008, has approved the consolidated quarterly report.

Actual results for the first 9 months of 2008 (9M08) show Group profit attributable to parent company shareholders of € 21.4 million (mn) vs. € 88.5 mn in the same period in 2007 (9M07) (-75.8%).

The significant change was primarily due to two non-recurring events, i.e.

- The capital gain, booked in 2007, arising from sale of Cogedim SA by the associate company Yarpa International Holding BV, for which the direct operating parent company, Vittoria Assicurazioni SpA, recognised net economic benefit of € 66.3 mn
- The write-down of Cam Finanziaria SpA, booked in 2008, amounting to € 11.1 mn.

The other non-recurring items helping to determine the result as up to 30 September 2008 were:

- The Group's share (€ 4.8 mn) of the profit of the associate Yarpa International Holding BV, which benefited from upward price adjustment for the sale of the Cogedim Group in the previous financial year
- Recalculation of deferred tax liabilities, with a cost of € 3.3 mn, due to partial inclusion in the taxable base for regional business tax (IRAP) of profits made by investee companies not yet distributed

In 9M08 total insurance premiums amounted to € 444.3 mn (-0.6% vs. premiums of € 447.1 mn in 9M07). Total insurance premiums as per IFRSs amounted to € 441.0 mn, in line with 9M07 (+0.1%).

Retained premiums for the Non-Life (Property & Casualty) business grew by 9.9% vs. 9M07, also following the direct parent company's decision not to renew the Land motor TPL quota-share reinsurance treaty. Taking the 11% decrease reported for the Life business into account, total growth of retained premiums was 5.3% YoY.

Non-Life premiums for direct business increased by 2.9%.

Motor premiums amounted to € 258.5 mn, with an increase of 4.5% YoY.

Other Non-Life premiums for direct business amounted to € 101.5 mn, with a -0.9% decrease.

Premiums for direct Life business, which do not include policies considered to be financial instruments, showed a decrease of -10.9% vs. 9M07.

Overhead costs as a percentage of total insurance premiums (direct business) were 10.9% (vs. 9.5% in 9M07).

As up to 30 September 2008 the Non-Life combined ratio and loss ratio were 97.7% and 71.4% respectively (vs. 97.8% and 69.9% as up to 30 September 2007).

Investments – which totalled € 1,984.0 mn (+1.2% vs. status as at 31 December 2007) - included € 81.5 mn (-21.8%) relating to investments with risk borne by policyholders and € 1,902.5 mn (+2.5%) relating to investments with risk borne by the Group.

Net income from investments with risk borne by the Group amounted to € 42.1 mn vs. € 116 mn in 9M07 (-63.7%). The reduction was due to the sale, as mentioned earlier, of Cogedim SA.

Group equity (i.e. attributable to parent company shareholders) amounted to € 328.8 mn as compared with € 320.8 mn at 31 December 2007 (+2.5%). This result confirms the shrewdness and soundness of choices made in managing investments.

The instability of financial markets makes special prudence necessary in forecasting year-end results. Technical performance however, underpinned by the planned growth associated with the inauguration of new sales outlets, enables us to confirm the medium-term strategic objectives already communicated to the market.

The Vittoria Assicurazioni Group has decided not to avail itself – in this consolidated quarterly report - of the regulatory changes concerning reclassification of financial instruments introduced by the amendment of IAS 39 and IFRS 7. Taking possible further regulatory developments into account, it will consider applying these regulatory changes when closing full-year accounts.

During the period in question, conversion continued of the subordinated loan into shares of the direct operating parent company, Vittoria Assicurazioni SpA. As at 30 September 2008, share capital, following the conversions requested, amounted to € 32,848,012.

On 27 June 2008, the Extraordinary Shareholders' Meeting of Vittoria Assicurazioni SpA, besides some by-law amendments, also approved the proposal for a bonus capital increase.

Effective 17 November 2008, for each share outstanding a new share of a par value of € 1.00 will be issued, with entitlement as from 1 January 2008, with detachment of coupon no. 26. At the same time, the conversion ratio for the "Vittoria Assicurazioni SpA Fixed/Floater 2001/2016 subordinated bond convertible into ordinary shares" was adjusted, increasing to 2 the number of shares assigned to each bond converted as from 20 May 2009.

As up to 30 September 2008 (9M08), the direct operating parent company showed a profit – based on Italian GAAPs – of € 33.4 mn (vs. € 22.3 mn in 9M07), with an increase of 49.4% YoY. The result included dividends of € 22.8 mn from subsidiaries and associates as compared with € 8.7 mn in 9M07 (and vs. € 25.8 mn in FY2007).

Milan, 12 November 2008

*The Corporate Financial Reporting Manager, 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.*

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Attachments: consolidated income statement and restated individual income statement of Vittoria Assicurazioni SpA

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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 entire Italian territory through an extensive commercial network based on over 240 Agencies, 370 Sub Agencies and agreements with over 240 bank branches. Vittoria's mission is to be the families and small and medium firms

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Vittoria Assicurazioni S.p.A.

Consolidated interim financial statements as at and for the nine months ended 30 September 2008

## INCOME STATEMENT

(in thousand of Euros)

		30/9/08	30/9/07	31/12/07	3Q 2008	3Q 2007
1.1	Net premiums	426,900	400,032	552,436	132,831	170,867
1.1.1	<i>Gross premiums</i>	442,895	436,550	601,785	138,482	171,086
1.1.2	<i>Ceded premiums</i>	15,995	36,518	49,349	5,651	219
1.2	Commission income	767	1,326	1,763	199	691
1.3	Gains or losses on remeasurement of financial instruments at fair value through profit or loss	-416	-17	2	-85	27
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	10,230	73,467	75,974	5,274	62,281
1.5	Gains on other financial instruments and investment property	45,618	46,990	46,990	46,990	46,990
1.5.1	<i>Interest income</i>	44,998	39,673	54,117	15,302	18,284
1.5.2	<i>Other income</i>	304	870	1,628	78	117
1.5.3	<i>Realised gains</i>	309	331	383	0	331
1.5.4	<i>Unrealised gains</i>	7	0	0	2	0
1.6	Other income	12,696	10,199	17,409	3,794	-3,221
<b>1</b>	<b>TOTAL REVENUE</b>	<b>495,795</b>	<b>573,576</b>	<b>573,576</b>	<b>573,576</b>	<b>573,576</b>
2.1	Net charges relating to claims	322,549	375,909	375,909	375,909	375,909
2.1.1	<i>Amounts paid and change in technical reserves</i>	330,862	330,627	463,334	106,510	126,705
2.1.2	<i>Reinsurers' share</i>	-8,313	-23,317	-33,594	-5,584	2,925
2.2	Commission expense	265	555	650	46	307
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	260	184	287	-84	115
2.4	Losses on other financial instruments and investment property	17,542	4,736	12,942	5,701	2,425
2.4.1	<i>Interest expense</i>	6,438	4,735	6,249	2,420	2,467
2.4.2	<i>Other expense</i>	0	0	0	0	0
2.4.3	<i>Realised losses</i>	0	0	0	0	0
2.4.4	<i>Unrealised losses</i>	11,104	1	6,693	3,281	-42
2.5	Operating costs	110,994	105,116	143,792	33,871	43,966
2.5.1	<i>Commissions and other acquisition costs</i>	89,464	80,986	115,584	27,103	35,811
2.5.2	<i>Investment management costs</i>	626	705	801	188	333
2.5.3	<i>Other administrative costs</i>	20,904	23,425	27,407	6,580	7,822
2.6	Other costs	7,816	7,053	11,098	2,045	1,498
<b>2</b>	<b>TOTAL COSTS</b>	<b>459,426</b>	<b>521,707</b>	<b>521,707</b>	<b>521,707</b>	<b>521,707</b>
	<b>PROFIT FOR THE YEAR BEFORE TAXATION</b>	<b>36,369</b>	<b>51,869</b>	<b>51,869</b>	<b>51,869</b>	<b>51,869</b>
<b>3</b>	Income taxes	15,318	12,610	15,724	4,574	4,401
	<b>PROFIT FOR THE YEAR</b>	<b>21,051</b>	<b>36,525</b>	<b>36,525</b>	<b>36,525</b>	<b>36,525</b>
<b>4</b>	<b>GAIN (LOSS) ON DISCONTINUED OPERATIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>CONSOLIDATED PROFIT</b>	<b>21,051</b>	<b>36,525</b>	<b>36,525</b>	<b>36,525</b>	<b>36,525</b>
	of which attributable to the shareholders of the parent	21,388	88,542	89,572	10,361	67,890
	of which attributable to minority interests	-337	-225	-93	-45	-855
Basic EARNINGS per share		0.65	2.71	2.74	0.31	2.08
Diluted EARNINGS per share		0.64	2.63	2.66	0.31	2.01

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

(in thousands of euros)

	30/09/2008	30/09/2007	31/12/07	Third Q 2008	Third Q 2007
<b>Technical account</b>					
Life businesses:					
<b>Direct insurance</b>					
(+ ) Gross premiums accounted for	83,856	96,744	141,087	19,887	27,258
(- ) Charges relating to claims	96,515	60,200	107,234	25,401	16,733
(- ) Change in mathematical and other technical reserves	-29,483	38,779	30,764	-13,748	6,255
(+ ) Other technical captions, net	511	656	853	151	160
(- ) Operating costs	16,503	17,707	25,548	4,047	5,541
(+ ) Return on investments where the company bears the risk net of the portion transferred to the non-technical account	20,425	22,371	29,518	5,023	6,965
(+ ) income on investments where policyholders bear the risk - Class D	-13,348	-304	-1,974	-5,820	-6,391
<b>Direct insurance result</b>	7,909	2,781	5,938	3,541	-537
Outwards reinsurance result	-123	-200	177	-3	135
Retained direct insurance result	7,786	2,581	6,115	3,538	-402
Indirect and retroceded insurance result	-38	-42	-3	-5	-1
<b>Result of life business technical account</b>	7,748	2,539	6,112	3,533	-403
Non-life businesses:					
<b>Direct insurance</b>					
(+ ) Gross premiums accounted for	360,060	349,970	494,971	107,103	104,652
(- ) Change in premium reserve	-1,788	4,417	27,653	-13,090	-11,117
(- ) Charges relating to claims	255,307	239,031	331,402	90,457	80,556
(- ) Change in other technical reserves	279	290	510	68	99
(+ ) Other technical captions, net	1,229	-1,216	-219	506	-815
(- ) Operating costs	94,849	93,395	124,803	30,222	28,932
<b>Direct insurance result</b>	12,642	11,621	10,384	-48	5,367
Outwards reinsurance result	-1,947	-2,129	-2,446	1,694	-747
Retained direct insurance result	10,695	9,492	7,938	1,646	4,620
Indirect and retroceded insurance result	155	28	64	69	-52
<b>Total retained direct insurance result</b>	10,850	9,520	8,002	1,715	4,568
(- ) Change in equalisation reserves	197	199	286	58	57
(+ ) Income on investments transferred from the non-technical account	22,700	16,005	29,097	5,241	3,679
<b>Result of non-life business technical account</b>	33,353	25,326	36,813	6,898	8,190
<b>Result of technical account</b>	41,101	27,865	42,925	10,431	7,787
(+ ) Income on non-life business investments net of the portion transferred to the technical account	5,018	3,649	6,572	1,292	972
(+ ) Income on investments transferred from the life business technical account	1,850	2,379	3,129	-111	725
(+ ) Other income	2,399	2,415	2,973	780	1,020
(- ) Other charges	4,880	4,078	5,288	1,541	1,355
<b>Result of ordinary business</b>	45,488	32,230	50,311	10,851	9,149
(+ ) Extraordinary income	528	502	1,549	-	-1
(- ) Extraordinary expense	45	180	310	8	-80
<b>Profit (loss) before taxation</b>	45,971	32,552	51,550	10,843	9,228
(- ) Taxation on profit for the year	12,612	10,223	15,055	4,721	3,923
<b>Net profit (loss)</b>	33,359	22,329	36,495	6,122	5,305