

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

## **2004 FIRST HALF RESULTS**

The board of directors of Vittoria Assicurazioni chaired by Luigi Guatri met today in Milan to discuss the results of first half of 2004.

The net profit for the first half of the year totalled Euro 9.0 million, up 17.8% on the Euro 7.6 million of the 2003 first half.

The consolidated net profit amounted to Euro 14.5 million, compared to the Euro 9.2 million of the same period of the previous year 2003. The increase is partially due to the adoption, for the group real estate activities, of the completion method rather than the completed contract method for the real estate units under construction were there already is a firm commitment of the purchaser. Had this criteria been used in past years, consolidated net profit would have amounted to Euro 11.6 million (9.3 million at 30 June 2003), up 24.5%.

Direct insurance premiums amount to 255.1 million with an increase of 16.2%.

Life business premiums rose 20.0%. Periodic recurring premiums account for 42.8% of premiums underwritten, while single premiums account for 57.2%.

Non life premiums increased 15.1%.

Premiums of the motor lines of business increased 18.2%, mainly thanks to new customers.

Other non-life premiums excluding aviation, marine, bonds and credit rose 5.0%. Premiums relating to aviation, marine, bonds and credit increased 17.9%.

Investments totalled Euro 1,137.6 million (31 December 2003: Euro 1,082.6 million). They are split between investments where policyholders bear the risk (Euro 122.7 million) and investments where the parent company bears the risk (Euro 1,014.9 million). They increased by 5.1% on 31 December 2003. Ordinary income for the period amounted to Euro 18.9 million. The securities portfolio at 31 August 2004 shows unrealised gains of Euro 50.0 million.

Overheads accounted for 9.6% of premiums, compared to 10.6% in the same period of the previous year.

Given the group's performance during the period and the activities planned for the second half of the year, the Directors reasonably forecast a higher net profit for 2004 than in the previous year, in line with business targets.

Milan, 8 September 2004

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Annex:

- Reclassified balance sheet and profit and loss account and reclassified consolidated balance sheet and profit and loss account, which have been submitted to the Board of statutory auditors for their checks. The independent auditors, Sala Scelsi Farina BDO, are currently carrying out a review.

## Reclassified Balance Sheet

(in thousands of Euros)

ASSETS	30/6/2004	31/12/2003
<b>Investments</b>		
<b>Land and buildings</b>	8.810	9.120
<b>Investments in group and other companies</b>		
- Equity investments	152.321	118.414
- Loans	9.800	8.990
<b>Other financial investments:</b>		
- Unit trust units	3.279	33.273
- Bonds and other fixed-interest securities	827.747	780.607
- Loans	11.260	11.254
- Other financial investments	478	478
<b>Deposits with ceding companies</b>	1.169	1.162
<b>Investments benefiting life policyholders</b>	122.735	119.268
<b>Total investments</b>	<b>1.137.599</b>	<b>1.082.566</b>
<b>Receivables</b>		
<b>Receivables relating to direct insurance business from:</b>		
- Policyholders	37.009	35.212
- Insurance brokers and agents	25.831	42.541
- Current account companies	5.036	3.033
- Amounts to be recovered from policyholders and third parties	20.828	20.177
<b>Receivables relating to reinsurance business</b>	9.698	4.999
<b>Other receivables</b>	12.178	13.992
<b>Total receivables</b>	<b>110.580</b>	<b>119.954</b>
<b>Intangible assets</b>	28.734	28.240
<b>Tangible assets and inventory</b>	4.587	4.522
<b>Liquid funds</b>	37.272	33.013
<b>Other assets</b>	3.557	3.300
<b>Prepayments and accrued income</b>	15.274	14.720
<b>TOTAL ASSETS</b>	<b>1.337.603</b>	<b>1.286.315</b>

## Reclassified Balance Sheet

(in thousands of Euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	30/6/2004	31/12/2003
<b>Shareholders' equity</b>		
- Share capital	30.000	30.000
- Share premium reserve	20.142	20.142
- Revaluation reserves	6.370	6.370
- Legal reserve	5.076	4.319
- Other reserves	52.509	42.019
- Net profit for the period/year	8.953	15.147
<b>Total shareholders' equity</b>	<b>123.050</b>	<b>117.997</b>
<b>Subordinated liabilities</b>	<b>18.000</b>	<b>18.000</b>
<b>Technical reserves, net of reinsurance</b>		
- Premium reserve	119.925	109.480
- Claims reserve	275.696	264.001
- Mathematical reserves	508.831	490.093
- Reserve for amounts payable	12.862	16.860
- Other technical reserves	6.093	5.938
- Technical reserve where investment risk is borne by policyholders and reserves relating to pension fund management	122.735	119.268
<b>Total technical reserves</b>	<b>1.046.142</b>	<b>1.005.640</b>
<b>Payables</b>		
<b>Deposits from reinsurers</b>	95.305	95.501
<b>Payables arising from direct insurance business due to:</b>		
- Insurance brokers and agents	1.466	1.579
- Current account companies	4.872	4.435
- Guarantee deposits paid by policyholders	88	48
- Guarantee funds in favour of policyholders	0	1.187
<b>Payables arising from reinsurance business</b>	17.448	7.325
<b>Other sums payable</b>	16.062	17.847
<b>Total payables</b>	<b>135.241</b>	<b>127.922</b>
<b>Provisions for contingencies and other charges</b>	1.805	1.805
<b>Employees' leaving entitlement</b>	5.034	5.212
<b>Other liabilities</b>	7.830	8.737
<b>Accrued expenses and deferred income</b>	501	1.002
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1.337.603</b>	<b>1.286.315</b>

## Reclassified profit and loss account

(in thousands of Euros)

	1st half of 2004	1st half of 2003	2003
<b>Technical account</b>			
<b>Life business:</b>			
<b>Direct insurance</b>			
(+) Gross premiums accounted for	54.497	45.405	94.021
(-) Charges relating to claims	38.528	27.212	61.346
(-) Change in mathematical and other technical reserves	22.983	26.404	44.186
(+) Other technical captions, net	571	583	1.080
(-) Operating costs	6.505	6.295	14.010
(+) Income on investments where the company bears the risk - Class C - net of the portion transferred to the non-technical account	12.004	11.200	22.069
(+) Income on investments where policyholders bear the risk - Class D	4.991	3.786	6.768
<b>Direct insurance result</b>	<b>4.047</b>	<b>1.063</b>	<b>4.396</b>
Outwards reinsurance result	-75	-140	131
<b>Retained direct insurance result</b>	<b>3.972</b>	<b>923</b>	<b>4.527</b>
Indirect and retroceded insurance result	-4	-6	-36
<b>Result of life business technical account</b>	<b>3.968</b>	<b>917</b>	<b>4.491</b>
<b>Non-life business:</b>			
<b>Direct insurance</b>			
(+) Gross premiums accounted for	200.611	174.219	362.908
(-) Change in premium reserve	11.559	12.973	18.855
(-) Charges relating to claims	132.218	111.263	240.877
(-) Change in other technical reserves	232	181	487
(+) Other technical captions, net	-1.999	-2.252	-3.308
(-) Operating costs	48.160	42.770	89.668
<b>Direct insurance result</b>	<b>6.443</b>	<b>4.780</b>	<b>9.713</b>
Outwards reinsurance result	-740	2.715	1.906
<b>Retained direct insurance result</b>	<b>5.703</b>	<b>7.495</b>	<b>11.619</b>
Indirect and retroceded insurance result	88	37	187
<b>Total retained insurance result</b>	<b>5.791</b>	<b>7.532</b>	<b>11.806</b>
(-) Change in equalisation reserves	114	95	212
(+) Income on investments transferred from the non-technical account	6.259	6.172	12.620
<b>Result of non-life business technical account</b>	<b>11.936</b>	<b>13.609</b>	<b>24.214</b>
<b>Result of technical account</b>	<b>15.904</b>	<b>14.526</b>	<b>28.705</b>
(+) Income on non-life business net of the portion transferred to the technical account	1.530	1.525	3.141
(+) Income on investments transferred from the life business technical account	1.015	921	1.787
(+) Other income	1.245	992	1.942
(-) Interest on financial payables	495	495	990
(-) Other charges	4.289	3.959	6.784
<b>Result of ordinary business</b>	<b>14.910</b>	<b>13.510</b>	<b>27.801</b>
(+) Extraordinary income	33	58	612
(-) Extraordinary expense	55	146	1.267
<b>Profit before taxation</b>	<b>14.888</b>	<b>13.422</b>	<b>27.146</b>
(-) Taxation on profit for the period/year	5.935	5.819	11.999
<b>Net profit for the period/year</b>	<b>8.953</b>	<b>7.603</b>	<b>15.147</b>

## Reclassified Consolidated Balance Sheet

(in thousands of Euros)

ASSETS	30/06/2004	31/12/2003	30/06/2004 (*)	31/12/2003 (*)
<b>Investments</b>				
<b>Land and buildings</b>	201.915	152.562	201.915	157.612
<b>Investments in group and other companies</b>				
- Equity investments	62.984	55.204	62.984	57.901
- Loans	10.860	9.390	10.860	9.390
<b>Other financial investments:</b>				
- Unit trust units	3.279	33.273	3.279	33.273
- Bonds and other fixed-interest securities	827.747	780.607	827.747	780.607
- Loans	11.260	11.254	11.260	11.254
- Other financial investments	478	478	478	478
<b>Deposits with ceding companies</b>	1.169	1.162	1.169	1.162
<b>Investments benefiting life policyholders</b>	122.735	119.268	122.735	119.268
<b>Total investments</b>	<b>1.242.427</b>	<b>1.163.198</b>	<b>1.242.427</b>	<b>1.170.945</b>
<b>Receivables</b>				
<b>Receivables relating to direct insurance</b>	88.704	100.963	88.704	100.963
<b>Receivables relating to reinsurance business</b>	9.698	4.999	9.698	4.999
<b>Other receivables</b>	38.014	34.050	38.014	34.050
<b>Total receivables</b>	<b>136.416</b>	<b>140.012</b>	<b>136.416</b>	<b>140.012</b>
<b>Intangible assets</b>	28.913	28.448	28.913	28.448
<b>Tangible assets and inventory</b>	4.787	4.690	4.787	4.690
<b>Liquid funds</b>	81.629	49.264	81.629	49.264
<b>Other assets</b>	3.561	3.710	3.561	3.710
<b>Prepayments and accrued income</b>	17.240	16.936	17.240	16.936
<b>TOTAL ASSETS</b>	<b>1.514.973</b>	<b>1.406.258</b>	<b>1.514.973</b>	<b>1.414.005</b>

(\*) These figures have been recalculated as if the stage of completion method had been applied to buildings under construction constantly over time.

## Reclassified Consolidated Balance Sheet

(in thousands of Euros)

	30/06/2004	31/12/2003	30/06/2004 (*)	31/12/2003 (*)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>Shareholders' equity</b>				
- Share capital	30.000	30.000	30.000	30.000
- Equity reserves	83.712	72.164	83.712	72.164
- Consolidation reserves	-2.292	-1.807	-2.050	-1.766
- Reserve for differences in the valuation of investments not consolidated on a line-by-line basis	7.273	2.946	9.970	5.007
- Net profit for the period/year	14.507	19.290	11.568	20.127
<b>Total Group shareholders' equity</b>	<b>133.200</b>	<b>122.593</b>	<b>133.200</b>	<b>125.532</b>
- Share capital and reserves pertaining to minority interests	4.275	4.309	6.183	4.583
- Net profit for the period/year	3.937	238	2.029	1.872
<b>Total shareholders' equity pertaining to minority interests</b>	<b>8.212</b>	<b>4.547</b>	<b>8.212</b>	<b>6.455</b>
<b>Subordinated liabilities</b>	<b>18.000</b>	<b>18.000</b>	<b>18.000</b>	<b>18.000</b>
<b>Technical reserves, net of reinsurance</b>				
- Premium reserve	119.925	109.480	119.925	109.480
- Claims reserve	275.696	264.001	275.696	264.001
- Mathematical reserves	511.861	490.804	511.861	491.772
- Reserve for amounts payable	12.862	16.860	12.862	16.860
- Other technical reserves	6.093	5.938	6.093	5.938
- Technical reserve where investment risk is borne by policyholders and reserves relating to pension fund management	122.735	119.268	122.735	119.268
<b>Total technical reserves</b>	<b>1.049.172</b>	<b>1.006.351</b>	<b>1.049.172</b>	<b>1.007.319</b>
<b>Payables</b>				
<b>Deposits from reinsurers</b>	95.305	95.501	95.305	95.501
<b>Payables arising from direct insurance business</b>	6.426	7.250	6.426	7.250
<b>Payables arising from reinsurance business</b>	17.448	7.325	17.448	7.325
<b>Sums payable to banks and financial institutions</b>	82.678	70.961	82.678	70.961
<b>Other sums payable</b>	86.631	56.276	86.631	58.208
<b>Total payables</b>	<b>288.488</b>	<b>237.313</b>	<b>288.488</b>	<b>239.245</b>
<b>Provisions for contingencies and other charges</b>	1.822	1.822	1.822	1.822
<b>Employees' leaving entitlement</b>	5.421	5.651	5.421	5.651
<b>Other liabilities</b>	9.874	8.938	9.874	8.938
<b>Accrued expenses and deferred income</b>	784	1.043	784	1.043
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1.514.973</b>	<b>1.406.258</b>	<b>1.514.973</b>	<b>1.414.005</b>

(\*) These figures have been recalculated as if the stage of completion method had been applied to buildings under construction constantly over time.

## Reclassified Consolidated Profit and Loss Account

(in thousands of Euros)

	1st half of 2004	1st half of 2003	2003	1st half of 2004 (*)	1st half of 2003 (*)	2003 (*)
<b>Technical account</b>						
<b>Life business:</b>						
<b>Direct insurance</b>						
(+) Gross premiums accounted for	54.497	45.405	94.021	54.497	45.405	94.021
(-) Charges relating to claims	38.528	27.212	61.346	38.528	27.212	61.346
(-) Change in mathematical and other technical reserves	24.334	26.194	44.271	24.334	26.412	45.076
(+) Other technical captions, net	571	583	1.080	571	583	1.080
(-) Operating costs	6.505	6.295	14.010	6.505	6.295	14.010
(+) Income on investments where the company bears the risk - Class C - net of the portion transferred to the non-technical account	14.018	10.990	22.375	14.018	11.208	23.180
(+) Income on investments where policyholders bear the risk - Class D	4.991	3.786	6.768	4.991	3.786	6.768
<b>Direct insurance result</b>	<b>4.710</b>	<b>1.063</b>	<b>4.617</b>	<b>4.710</b>	<b>1.063</b>	<b>4.617</b>
Outwards reinsurance result	-75	-140	131	-75	-140	131
Retained direct insurance result	<b>4.635</b>	<b>923</b>	<b>4.748</b>	<b>4.635</b>	<b>923</b>	<b>4.748</b>
Indirect and retroceded insurance result	-4	-6	-36	-4	-6	-36
<b>Result of life business technical account</b>	<b>4.631</b>	<b>917</b>	<b>4.712</b>	<b>4.631</b>	<b>917</b>	<b>4.712</b>
<b>Non-life business:</b>						
<b>Direct insurance</b>						
(+) Gross premiums accounted for	200.611	174.219	362.908	200.611	174.219	362.908
(-) Change in premium reserve	11.559	12.973	18.855	11.559	12.973	18.855
(-) Charges relating to claims	132.172	111.263	240.816	132.172	111.263	240.816
(-) Change in other technical reserves	232	181	487	232	181	487
(+) Other technical captions, net	-1.999	-2.252	-3.308	-1.999	-2.252	-3.308
(-) Operating costs	47.982	42.709	89.593	47.982	42.709	89.593
<b>Direct insurance result</b>	<b>6.667</b>	<b>4.841</b>	<b>9.849</b>	<b>6.667</b>	<b>4.841</b>	<b>9.849</b>
Outwards reinsurance result	-740	2.715	1.906	-740	2.715	1.906
Retained direct insurance result	<b>5.927</b>	<b>7.556</b>	<b>11.755</b>	<b>5.927</b>	<b>7.556</b>	<b>11.755</b>
Indirect and retroceded insurance result	88	37	187	88	37	187
<b>Total retained insurance result</b>	<b>6.015</b>	<b>7.593</b>	<b>11.942</b>	<b>6.015</b>	<b>7.593</b>	<b>11.942</b>
(-) Change in equalisation reserve	114	95	212	114	95	212
(+) Income on investments transferred from the non-technical account	6.259	6.172	12.621	6.259	6.172	12.621
<b>Result of non-life business technical account</b>	<b>12.160</b>	<b>13.670</b>	<b>24.351</b>	<b>12.160</b>	<b>13.670</b>	<b>24.351</b>
<b>Result of technical account</b>	<b>16.791</b>	<b>14.587</b>	<b>29.063</b>	<b>16.791</b>	<b>14.587</b>	<b>29.063</b>
(+) Income on investments net of the portion transferred to the technical account	10.610	4.627	10.298	10.610	5.685	14.379
(+) Other income	2.914	2.123	5.082	2.914	2.123	5.082
(-) Interest on financial payables	870	713	1.633	870	713	1.633
(-) Other charges	7.073	5.512	9.759	7.073	5.512	9.759
<b>Result of ordinary business</b>	<b>22.372</b>	<b>15.112</b>	<b>33.051</b>	<b>22.372</b>	<b>16.170</b>	<b>37.132</b>
(+) Extraordinary income	69	142	812	69	142	812
(-) Extraordinary expense	102	166	1.351	102	166	1.351
<b>Profit before taxation and change in accounting policy</b>	<b>22.339</b>	<b>15.088</b>	<b>32.512</b>	<b>22.339</b>	<b>16.146</b>	<b>36.593</b>
(+) Income on the change in accounting policy, before minority interests and taxation	6.779	-	-	-	-	-
<b>Profit before taxation</b>	<b>29.118</b>	<b>15.088</b>	<b>32.512</b>	<b>22.339</b>	<b>16.146</b>	<b>36.593</b>
(-) Taxation on profit for the period/year	10.675	5.918	12.984	8.743	6.416	14.594
<b>Net profit for the period/year</b>	<b>18.443</b>	<b>9.170</b>	<b>19.528</b>	<b>13.596</b>	<b>9.730</b>	<b>21.999</b>
(-) Minority interests (ordinary)	2.028	-27	238	2.028	441	1.872
(-) Minority interests share in the change in accounting policy	1.908	-	-	-	-	-
<b>Consolidated profit for the period/year</b>	<b>14.507</b>	<b>9.197</b>	<b>19.290</b>	<b>11.568</b>	<b>9.289</b>	<b>20.127</b>

(\*) These figures have been recalculated as if the stage of completion method had been applied to buildings under construction constantly over time.