

2003 RESULTS

The board of directors of Vittoria Assicurazioni, chaired by Mr. Luigi Guatri, met today to discuss the results for 2003.

For the tenth year in a row, the board will propose that the shareholders approve a dividend increase through the distribution of Euro 0.13 to each share (previous year: Euro 0.12). Such dividend will be available from 13 May 2004, with coupon detachment on 10 May 2004.

The consolidated net profit grew 37.8% on 2002 to Euro 19.3 million, equal to a ROE of 14.5%, with the convertible subordinated bond already considered as shareholders' equity for the purposes of the calculation.

Overall premiums total Euro 458 million, up 12.4% on the previous year.

Assets managed relating to life business amount to Euro 637 million (+9.4%). Direct life business premiums rose 13.0%. Periodic recurring premiums account for 56.3% of premiums underwritten during the year.

Direct non-life business premiums total Euro 363 million, up 12.3% on the previous year.

Premiums of the motor lines of business show a 15.0% increase.

Direct other non-life premiums excluding aviation, marine, bonds and credit rose 12.8%, further to the implementation of new commercial strategies agreed with agencies as well as new trading alliances agreed with qualified partners.

Premiums relating to aviation, marine, bonds and credit dropped 29.2% further to the implementation of a more rigorous underwriting policy.

Overall, insurance overheads decreased from 10.5% of total premiums to 10.2%, thus beginning the foreseen improvement.

Investments of the parent company total Euro 1,083 million. They are split between investments where the policyholders bear the risk (Euro 119 million) and those where the company bears the risk (Euro 963 million). The increase over the previous year is 6.8%. Ordinary income on investments where the company bears the risk amounts to Euro 38 million, a reduction of 1.4%. The securities portfolio at 31 December 2003 shows an overall unrealised capital gain of Euro 42 million.

Consolidated shareholders' equity amounts to Euro 122.6 million, up 14.7%.

The shareholders have been called to meet on Thursday 29 April 2004 on first call and 30 April 2004 on second call. The ordinary meeting has been called to approve the financial statements and appoint the board of directors and board of statutory auditors while the extraordinary meeting has been called to resolve on certain changes to the by-laws to update them to new company law.

Milan, 26 March 2004

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Annexes: consolidated and parent company reclassified balance sheet and profit and loss account still subject to audit by the independent auditors and the statutory auditors

Reclassified balance sheet

(in thousands of Euros)

ASSETS	2.003	2.002
Investments		
Land and buildings	9.120	9.057
Investments in group and other companies		
- Equity investments	118.414	46.046
- Loans	8.990	2.756
Other financial investments:		
- Unit trust units	33.273	56.813
- Bonds and other fixed-interest securities	780.607	786.038
- Loans	11.254	11.638
- Other financial investments	478	0
Deposits with ceding companies	1.162	1.422
Investments benefiting life policyholders	119.268	99.663
Total investments	1.082.566	1.013.433
Receivables		
Receivables relating to direct insurance business due from:		
- Policyholders	35.212	30.798
- Insurance brokers and agents	42.541	37.797
- Current account companies	3.033	4.270
- Amounts to be recovered from policyholders and third parties	20.177	14.938
Receivables relating to reinsurance business	4.999	18.961
Other receivables	13.992	11.859
Total receivables	119.954	118.623
Intangible assets	28.240	27.673
Tangible assets and inventory	4.522	4.222
Liquid funds	33.013	15.544
Other assets	3.300	3.169
Prepayment and accrued income	14.720	14.976
TOTAL ASSETS	1.286.315	1.197.640

Reclassified balance sheet

(in thousands of Euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	2.003	2.002
Shareholders' equity		
- Share capital	30.000	30.000
- Share premium reserve	20.142	20.142
- Revaluation reserves	6.370	6.370
- Legal reserve	4.319	3.636
- Other reserves	42.019	33.495
- Net profit for the year	15.147	12.806
Total shareholders' equity	117.997	106.449
Subordinated liabilities	18.000	18.000
Technical reserves, net of reinsurance		
- Premium reserve	109.480	93.868
- Claims reserve	264.000	248.837
- Mathematical reserves	490.094	467.506
- Reserves for payable amounts	16.861	19.237
- Other technical reserves	5.937	5.236
- Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	119.268	99.663
Total technical reserves	1.005.640	934.347
Payables		
Deposits received from reinsurers	95.501	87.441
Payables arising from direct insurance business due to:		
- Insurance brokers and agents	1.579	1.219
- Current accounts with companies	4.435	4.142
- Guarantee deposits paid by policyholders	48	59
- Guarantee funds in favour of policyholders	1.187	1.029
Payables arising from reinsurance business	7.325	6.968
Other sums payable	17.847	20.840
Total payables	127.922	121.698
Provisions for contingencies and other charges	1.805	2.367
Employees' leaving entitlement	5.212	4.716
Other liabilities	8.737	9.059
Accrued expenses and deferred income	1.002	1.004
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1.286.315	1.197.640

Reclassified profit and loss account

(in thousands of Euros)

	2.003	2.002
Technical account		
Life businesses:		
Direct insurance		
(+) Gross premiums accounted for	94.021	83.182
(-) Charges relating to claims	61.346	66.306
(-) Change in mathematical and other technical reserves	44.186	10.899
(+) Other technical captions, net	1.080	1.008
(-) Operating costs	14.010	13.696
(+) Income on investments where the company bears the risk net of the portion transferred to the non-technical account	22.069	21.315
(+) Income on investments where policyholders bear the risk	6.768	-9.466
Direct insurance result	4.396	5.138
Outwards reinsurance result	131	-2.138
Retained direct insurance result	4.527	3.000
Indirect and retroceded insurance result	-36	-251
Result of life business technical account	4.491	2.749
Non-life businesses:		
Direct insurance		
(+) Gross premiums accounted for	362.908	323.235
(-) Change in premium reserve	18.855	19.202
(-) Charges relating to claims	240.877	208.287
(-) Change in other technical reserves	487	470
(+) Other technical captions, net	-3.308	-2.414
(-) Operating costs	89.668	80.040
Direct insurance result	9.713	12.822
Outwards reinsurance result	1.902	9.908
Retained direct insurance result	11.615	22.730
Indirect and retroceded insurance result	191	110
Total retained direct insurance result	11.806	22.840
(-) Change in equalisation reserve	212	185
(+) Income on investments transferred from the non-technical account	12.620	7.602
Result of non-life business technical account	24.214	30.257
Result of technical account	28.705	33.006
(+) Income on non-life business investments net of the portion transferred to the technical account	3.141	1.871
(+) Income on investments transferred from the life business technical account	1.787	654
(+) Other income	1.942	2.455
(-) Other charges	7.774	9.008
Result of ordinary business	27.801	28.978
(+) Extraordinary income	612	489
(-) Extraordinary expense	1.267	2.133
Profit	27.146	27.334
(-) Settlement with Consap S.p.A.	0	4.083
Profit before taxation	27.146	23.251
(-) Taxation on profit for the year	11.999	10.445
Net profit for the year	15.147	12.806

Reclassified consolidated balance sheet

(in thousands of Euros)

ASSETS	2003	2002
Investments		
Land and buildings	152.562	70.316
Investments in group and other companies		
- Equity investments	55.204	43.498
- Loans	9.390	3.039
Other financial investments:		
- Equity investments	-	-
- Unit trust units	33.273	56.813
- Bonds and other fixed-interest securities	780.607	786.038
- Loans	11.254	11.638
- Other financial investments	478	-
Deposits with ceding companies	1.162	1.422
Investments benefiting life policyholders	119.268	99.663
Total investments	1.163.198	1.072.427
Receivables		
Receivables relating to direct insurance business	100.963	87.803
Receivables relating to reinsurance business	4.999	18.961
Other receivables	34.050	23.254
Total receivables	140.012	130.018
Intangible assets	28.448	27.929
Tangible assets and inventory	4.690	4.416
Liquid funds	49.264	26.872
Other assets	3.710	3.460
Prepayment and accrued income	16.936	15.757
TOTAL ASSETS	1.406.258	1.280.879

Reclassified consolidated balance sheet

(in thousands of Euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	2003	2002
Shareholders' equity		
- Share capital	30.000	30.000
- Equity reserves	72.164	62.906
- Consolidation reserves	-1.807	-1.678
- Reserve for valuation difference of unconsolidated investments	2.946	1.673
- Net profit for the year	19.290	14.001
Total group shareholders' equity	122.593	106.902
- Share capital and reserves pertaining to minority interests	4.309	2.785
- Net profit for the year	238	188
Total minority interests	4.547	2.973
Subordinated loan	18.000	18.000
Technical reserves, net of reinsurance		
- Premium reserve	109.480	93.868
- Claims reserve	264.001	248.837
- Mathematical reserves	490.804	468.133
- Reserves for payable amounts	16.860	19.237
- Other technical reserves	5.938	5.236
- Technical reserves where investment risk is borne by policyholders and reserves relating to pension fund management	119.268	99.663
Total technical reserves	1.006.351	934.974
Payables		
Deposits received from reinsurers	95.501	87.441
Payables arising from direct insurance business	7.250	6.449
Payables arising from reinsurance business	7.325	6.969
Due to banks and other financial institutions	77.870	70.524
Other sums payable	49.367	28.819
Total payables	237.313	200.202
Provisions for contingencies and other charges	1.822	2.518
Employees' leaving entitlement	5.651	5.110
Other liabilities	8.938	9.055
Accrued expenses and deferred income	1.043	1.145
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1.406.258	1.280.879

Reclassified consolidated profit and loss account

(in thousands of Euros)

	2003	2002
Technical account		
Life businesses:		
Direct insurance		
(+) Gross premiums accounted for	94.021	83.182
(-) Charges relating to claims	61.346	66.306
(-) Change in mathematical and other technical reserves	44.270	10.658
(+) Other technical captions, net	1.080	1.008
(-) Operating costs	14.010	13.696
(+) Income on investments where the company bears the risk - Class C - net of the portion transferred to the non-technical account	22.375	21.432
(+) Income on investments where the company bears the risk - Class D	6.768	-9.466
Direct insurance result	4.618	5.496
Outwards reinsurance result	131	-2.138
Retained direct insurance result	4.749	3.358
Indirect and retroceded insurance result	-36	-251
Result of life business technical account	4.713	3.107
Non-life businesses:		
Direct insurance		
(+) Gross premiums accounted for	362.908	323.235
(-) Change in premium reserve	18.855	19.202
(-) Charges relating to claims	240.816	208.287
(-) Change in other technical reserves	487	470
(+) Other technical captions, net	-3.308	-2.414
(-) Operating costs	89.591	79.788
Direct insurance result	9.851	13.074
Outwards reinsurance result	1.902	9.908
Retained direct insurance result	11.753	22.982
Indirect and retroceded insurance result	191	110
Total retained direct insurance result	11.944	23.092
(-) Change in equalisation reserve	212	185
(+) Income on investments transferred from the non-technical account	12.620	7.602
Result of non-life business technical account	24.352	30.509
Result of technical account	29.065	33.616
(+) Income on investments net of the portion included in the technical account	10.305	5.143
(+) Other income	5.381	5.669
(-) Interest on financial payables	1.633	1.528
(-) Other charges	10.066	11.658
Result of ordinary business	33.052	31.242
(+) Extraordinary income	811	646
(-) Extraordinary expense	1.351	2.675
Profit	32.512	29.213
(-) Settlement with Consap S.p.A.	-	4.083
Profit before taxation	32.512	25.130
(-) Taxation on profit for the year	12.984	10.941
Net profit for the year	19.528	14.189
(-) Minority interests	238	188
Consolidated net profit (loss) for the year	19.290	14.001