

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

## **2005 first quarter results – 2005 objectives**

- Consolidated net profit: Euro 9.4 million (+79.9% on a like-for-like basis)
- Direct life business premiums: Euro 25.9 million (-22.3%)
- Direct non-life business premiums: Euro 101.0 million (+6.1%)
- Combined ratio objective for non-life business: 97% (102.0% in 2004 and 97.5% in 2003)
- Parent company ROE objective: 14.5% (14.2% in 2004)

The board of directors of Vittoria Assicurazioni met today in Milan to discuss the results of the first quarter of 2005 and approved the consolidated first quarter report.

Consolidated net profit amounts to Euro 9.4 million (against Euro 5.2 million for the same period of the previous year to which an extraordinary income of Euro 2.9 million, generated by changes in accounting policies, must be added). This represents an increase of 79.9%, on a like for like basis.

Assets managed relating to life business amount to Euro 715.5 million, up 1.3% on 31 December 2004. Direct life business premiums are down 22.3%, due mainly to a time lag on single premium contracts.

Total direct non-life business premiums amount to Euro 101.0 million, up 6.1%.

Premiums of the motor business rose 5.7% to Euro 76.6 million, essentially as a result of new contracts with stable tariffs.

Premiums of other non-life lines of business rose 7.4% to Euro 24,4 million.

Investments totalled Euro 1,345.4 million (up 1.9% on 31 December 2004). They are split between investments where the group bears the risk (Euro 1,215.8 million) and those where the policyholders bear the risk (Euro 129.6 million). Income on investments where the group bears the risk amounted to Euro 22.5 million, representing an 84.4% increase on the same period of the previous year. Such income includes Euro 13.3 million deriving from the holdings in real estate companies and relating to trading and construction activities (Euro 2.9 million in the same period of the previous year), of which Euro 3.5 million are due to Life policy holders.

The securities portfolio at 30 April 2005 shows a net unrealised gain of Euro 66.7 million.

Group shareholders' equity, net of dividends already approved, amounts to Euro 149.8 million. Minority interests account for Euro 8.3 million.

On the basis of the performance of the period and forecasts for the following months, the 2005 year-end net profit is expected to be higher than at 2004 year end, in line with group objectives.

The 2005 objectives are as follows:

- Total non-life business combined ratio<sup>1</sup>: 97% (102.0% in 2004, 97.5% in 2003)
- Net parent company ROE: 14.5% (14.2% in 2004)

Vittoria Assicurazioni Group is in the process of modifying its IT and management procedures in view of the adoption of International Financial Reporting Standards for the consolidated financial statements, which will be gradually introduced during 2005. The consolidated half year report will be prepared in accordance with Italian accounting principles and will include a reconciliation of shareholders' equity and net profit or loss for the half year with IFRS. As from the 2005 third quarter report, the published consolidated results will be fully in accordance with IFRS.

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Annex: - reclassified profit and loss account

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<sup>1</sup> The combined ratio measures the impact of the sum of claims and all other costs other than those attributable to financial activities on the earned premiums of the retained business.

## Reclassified profit and loss account

(in thousands of Euros)

	Consolidated financial statements			Vittoria Assicurazioni S.p.A.		
	31/03/05	31/03/04	31/12/04	31/03/05	31/03/04	31/12/04
<b>Technical account</b>						
<b>Life business:</b>						
<b>Direct insurance</b>						
(+) Gross premiums accounted for	25.881	33.308	112.176	25.881	33.308	112.176
(-) Charges relating to claims	13.877	21.236	77.192	13.877	21.236	77.192
(-) Change in mathematical and other other technical reserves	18.494	16.788	52.834	15.018	16.788	46.479
(+) Other technical captions, net	254	278	1.184	254	278	1.184
(-) Operating costs	2.830	3.145	12.930	2.831	3.145	12.930
(+) Income on investments where the company bears the risk - Class C - net of the portion transferred to the non-technical account	9.020	5.068	28.457	5.544	5.068	22.102
(+) Income on investments where policyholders bear the risk - Class D	2.071	3.734	8.720	2.071	3.734	8.720
<b>Direct insurance result</b>	<b>2.025</b>	<b>1.219</b>	<b>7.581</b>	<b>2.024</b>	<b>1.219</b>	<b>7.581</b>
Outwards reinsurance result	-295	-230	437	-295	-230	437
Retained direct insurance result	1.730	989	8.018	1.729	989	8.018
Indirect and retroceded result	-8	-2	-113	-8	-2	-113
<b>Result of life business technical account</b>	<b>1.722</b>	<b>987</b>	<b>7.905</b>	<b>1.721</b>	<b>987</b>	<b>7.905</b>
<b>Non-life business:</b>						
<b>Direct insurance</b>						
(+) Gross premiums accounted for	101.020	95.235	405.650	101.020	95.235	405.650
(-) Change in premium reserve	-2.901	1.418	14.727	-2.901	1.418	14.727
(-) Charges relating to claims	74.300	63.020	290.011	74.323	63.045	290.102
(-) Change in other technical reserves	127	109	461	127	109	461
(+) Other technical captions, net	-1.776	-1.427	-3.089	-1.776	-1.427	-3.089
(-) Operating costs	25.769	23.234	100.079	25.840	23.315	100.365
<b>Direct insurance result</b>	<b>1.949</b>	<b>6.027</b>	<b>-2.717</b>	<b>1.855</b>	<b>5.921</b>	<b>-3.094</b>
Outwards reinsurance result	-473	-1.341	3.058	-473	-1.341	3.058
Retained direct insurance result	1.476	4.686	341	1.382	4.580	-36
Indirect and retroceded result	73	97	146	73	97	146
<b>Total retained direct insurance result</b>	<b>1.549</b>	<b>4.783</b>	<b>487</b>	<b>1.455</b>	<b>4.677</b>	<b>110</b>
(-) Change in equalisation reserves	58	54	239	58	54	239
(+) Income on investments transferred from the non-technical account	2.108	2.903	11.930	2.108	2.903	11.930
<b>Result of non-life business technical account</b>	<b>3.599</b>	<b>7.632</b>	<b>12.178</b>	<b>3.505</b>	<b>7.526</b>	<b>11.801</b>
<b>Result of technical account</b>	<b>5.321</b>	<b>8.619</b>	<b>20.083</b>	<b>5.226</b>	<b>8.513</b>	<b>19.706</b>
(+) Income on non-life business investments net of the portion transferred to the technical account (statutory)	-	-	-	504	750	2.832
(+) Income on investments transferred from the life business technical account (parent company)	-	-	-	5	-	1.926
(+) Income on investments net of the portion including in the technical account (consolidated)	11.374	3.728	25.560	-	-	-
(+) Other income	2.148	828	6.272	428	395	2.378
(-) Interest on financial payables	630	378	1.754	248	248	990
(-) Other charges	4.568	2.531	16.970	1.646	1.649	9.300
<b>Result of ordinary business</b>	<b>13.645</b>	<b>10.266</b>	<b>33.191</b>	<b>4.269</b>	<b>7.761</b>	<b>16.552</b>
(+) Extraordinary income	4.229	36	13.380	4.214	-	13.325
(-) Extraordinary expense	24	87	719	12	40	212
<b>Profit before taxation</b>	<b>17.850</b>	<b>10.215</b>	<b>45.852</b>	<b>8.471</b>	<b>7.721</b>	<b>29.665</b>
(-) Taxation on profit for the period/year	7.038	4.099	19.699	3.391	3.307	11.886
<b>Net profit for the period/year - ordinary</b>	<b>10.812</b>	<b>6.116</b>	<b>26.153</b>	<b>5.080</b>	<b>4.414</b>	<b>17.779</b>
(+) Net income arising from the change in accounting policy	-	4.847	4.128	-	-	-
<b>(Consolidated) net profit for the period/year</b>	<b>10.812</b>	<b>10.963</b>	<b>30.281</b>	<b>5.080</b>	<b>4.414</b>	<b>17.779</b>
(-) Minority interests (ordinary)	1.397	882	3.173	-	-	-
(-) Minority interests in the change in accounting policy	-	1.908	1.191	-	-	-
<b>Group net profit</b>	<b>9.415</b>	<b>8.173</b>	<b>25.917</b>			