



Vittoria Assicurazioni

PRESS RELEASE

Consolidated results for 1st quarter of 2007 and FY2007 targets

Results

- Group profit attributable to parent company shareholders: € 6.6 million (-9.2%)
- Total insurance premiums¹: € 144.0 million (+6.6%)

Targets

- Total insurance premiums¹: + 6.1% (€ 587.5 million in 2006)
- Non-Life loss ratio²: 67.4% (68.7% in 2006)
- ROE - individual: 15.9% (17.1% in 2006)

Consolidated results of 1st quarter of 2007

The Board of Directors of Vittoria Assicurazioni, which met today in Milan to review results as at the end of the 1st quarter of 2007 (1Q07), has approved the consolidated quarterly interim report.

Group net profit attributable to parent company shareholders amounted to € 6.6 million (mn) (€ 7.3 mn in the corresponding period of the previous year – 1Q06), with a reduction of -9.2%.

Improvement in the insurance business reported in the quarter was set against a reduction in income from the real estate business. This reflects the type of investments made, which envisage economic returns in future financial years.

Total insurance premiums as up to 31/3/2007 amounted to € 144.0 mn (+6.6%), of which € 143.4 mn for insurance premiums and € 0.6 mn for index- and unit-linked investment contracts and for the open-ended pension fund Vittoria Formula Lavoro.

Premiums for direct Life business, which do not include policies classified as investment contracts), amounted to € 28.7 mn, decreasing by -1.3%.

Premiums for direct Non-Life (property & casualty) business amounted to € 114.6 mn with an increase of 8.7% YoY.

Premiums for Motor lines amounted to € 235.9 mn with an increase of 4.9% YoY.

Premiums for Other Non-Life lines totalled € 32.7 mn, growing by 19.6% YoY.

The incidence of insurance overhead costs on total premiums was 9.4%, the same as the incidence reported in 1Q06.

Investments amounted to a total of € 1,763.7 mn (+3.1% vs. 31 December 2006), split between € 1,651.1 mn for investments for which risk is borne by the Group and € 112.6 mn with risk borne by policyholders. Net income from investments with risk borne by the Group amounted to € 15.3 mn (-1.4% vs. 1Q06).

Equity attributable to parent company shareholders amounted to € 234.8 mn (+3.7% vs. 31/12/2006) whilst minority interest amounted to € 6.5 mn.

As at March 31 2007, the direct operating parent company showed a net profit – based on Italian GAAPs – of € 5.5 mn (vs. € 5.1 mn in 1Q06), with a 7.9% YoY increase.

FY2007 Targets

The company has set the following targets for consolidated FY2007 performance:

- Total insurance premiums¹: +6.1% (€ 587.5 mn in 2006)
- Non-Life direct premiums: + 6.7% (€ 454.6 mn in 2006)
- Life premiums¹: + 4.0% (€ 131.7 mn in 2006)
- Non-Life loss ratio²: 67.4% (68.7% in 2006)
- Non-Life expense ratio³: 25.9% (25.6% in 2006)
- Non-Life combined ratio for retained business⁴: 97.0% (98.1% in 2006)

The individual ROE target for FY2007 is 15.9% (17.1% in 2006).

Due to the ongoing evaluations about the strategic position of COGEDIM, as reported in the press release of 17 april 2007, the management is not in a position to make a reliable estimate of the consolidated ROE for the FY 2007.

Milan, 11 May 2007

¹ Premiums for direct business and investment contracts

² Claims/earned premiums of retained business

³ Operating expenses / premiums written for direct business

⁴ (claims + operating expenses + amortisation of intangible assets + technical accounts) / earned premiums

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Attachments: Consolidated income statement and reclassified individual income statement
of Vittoria Assicurazioni SpA (local GAAP)

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 throughout Italy, via an extensive sales organisation with over 230 agencies, 330 sub-agencies, and 240 authorised bank branches. Vittoria Assicurazioni is an insurer for consumers, households and small and medium enterprises (SMEs).

Consolidated Income Statement - IFRS-compliant

(Amounts in € '000)

		1st Quarter 2007	1st Quarter 2006	FY2006
1.1	Net premiums	129,112	117,582	484,421
1.1.1	<i>Gross premiums</i>	142,487	136,535	563,601
1.1.2	<i>Ceded premiums</i>	13,375	18,953	79,180
1.2	Commission income	698	702	408
1.3	Gains and losses on remeasurement of financial instruments at fair value through profit and loss	-39	-3	8
1.4	Income from investments in subsidiaries, associates, and joint ventures	1,247	1,644	18,219
1.5	Income and gains from other financial instruments and investment property	12,820	10,426	46,990
1.5.1	<i>Interest income</i>	12,473	10,255	45,175
1.5.2	<i>Other income</i>	18	171	1,808
1.5.3	<i>Realised gains</i>	329	0	7
1.5.4	<i>Unrealised gains</i>	0	0	0
1.6	Other revenues	3,367	6,049	23,530
1	TOTAL REVENUE	147,205	136,400	573,576
2.1	Net charges relating to claims	99,963	88,661	375,909
2.1.1	<i>Amounts paid and change in technical reserves</i>	106,595	104,149	436,791
2.1.2	<i>Reinsurers' share</i>	-6,632	-15,488	-60,882
2.2	Commission expense	192	81	602
2.3	Losses on investments in subsidiaries, associates, and joint ventures	85	47	408
2.4	Expense and losses on other financial instruments and investment property	1,383	1,136	5,215
2.4.1	<i>Interest expense</i>	1,383	1,135	5,161
2.4.2	<i>Other expense</i>	0	0	0
2.4.3	<i>Realised losses</i>	0	0	9
2.4.4	<i>Unrealised losses</i>	0	1	45
2.5	Operating costs	33,025	31,751	127,559
2.5.1	<i>Commission and other acquisition costs</i>	24,353	23,456	94,474
2.5.2	<i>Investment management costs</i>	218	177	859
2.5.3	<i>Other administrative costs</i>	8,454	8,118	32,226
2.6	Other costs	1,827	2,204	12,014
2	TOTAL COSTS	136,475	123,880	521,707
	PROFIT (LOSS) FOR THE PERIOD/YEAR BEFORE TAX	10,730	12,520	51,869
3	Income tax	4,093	4,805	15,344
	PROFIT (LOSS) FOR THE PERIOD/YEAR	6,637	7,715	36,525
4	PROFIT (LOSS) ON DISCONTINUED OPERATIONS	0	0	0
	CONSOLIDATED PROFIT (LOSS)	6,637	7,715	36,525
	of which attributable to parent company shareholders	6,646	7,322	35,407
	of which attributable to minority interest	-6	393	1,118
	Base earnings per share (EPS)	0.22	0.24	1.16
	Diluted EPS	0.20	0.22	1.07

Reclassified Income Statement

Vittoria Assicurazioni SpA - Italian GAAPs

(Amounts in € '000)

	1st Quarter 2007	1st Quarter 2006	FY2006
TECHNICAL ACCOUNT			
Life business:			
Direct insurance			
(+) Gross premiums written	29,310	29,311	131,703
(-) Charges relating to claims	19,577	19,803	107,866
(-) Change in mathematical reserves and other technical reserves	11,926	14,191	44,074
(+) Net balance of other technical captions	199	227	940
(-) Operating costs	5,390	2,965	14,632
(+) Income from investments with risk borne by company, of portion transferred to non-technical account	6,386	5,594	27,839
(+) Income from investments where risk is borne by policyholders - Class D	2,409	3,993	10,917
Direct insurance results	1,411	2,166	4,827
Outward reinsurance result	-474	-347	271
Retained direct insurance result	937	1,819	5,098
Indirect and retroceded insurance result	-16	-5	-41
Result of Life technical account	921	1,814	5,057
Non-Life business:			
Direct insurance			
(+) Gross premiums written	114,619	105,412	454,560
(-) Change in premiums reserve	1,135	-1,629	7,613
(-) Charges relating to claims	77,665	73,084	313,510
(-) Change in other technical reserves	91	92	463
(+) Net balance of other technical captions	-408	-557	-1,687
(-) Operating costs	30,235	28,509	116,374
Direct insurance results	5,085	4,799	14,913
Outward reinsurance result	-1,003	-508	-4,778
Retained direct insurance result	4,082	4,291	10,135
Indirect and retroceded insurance result	88	115	233
Total retained insurance result	4,170	4,406	10,368
(-) Change in equalisation reserve	66	64	271
(+) Portion of investment income transferred from non-technical account	3,335	2,527	20,895
Result of Non-Life technical account	7,439	6,869	30,992
Result of technical account	8,360	8,683	36,049
(+) Income from Non-Life investments net of portion transferred to technical account	799	590	4,999
(+) Portion of investment income transferred From Life technical account	574	338	2,496
(+) Other income	641	412	1,932
(-) Other costs	1,236	1,167	7,383
Result of ordinary operations	9,138	8,856	38,093
(+) Extraordinary income	329	10	360
(-) Extraordinary charges	4	6	248
Profit before tax	9,463	8,860	38,205
(-) Taxation of profit	3,951	3,752	10,768
Net profit	5,512	5,108	27,437