



# Vittoria Assicurazioni

## PRESS RELEASE

### Results for the first 9 months of 2007

#### Consolidated results

- Profit attributable to parent company shareholders: € 88.5 million (+225.0%)
- Total IFRS premiums: € 440.7 million (+13.8%)
  - Life, direct business: € 90.4 million (+32.4%)
  - Non-Life, direct business: € 350.0 million (+10.1%)
- Non-life loss ratio: 69.9% (70.0% as at 30 September 2006)
- Non-life combined ratio: 97.8% (98.0% as at 30 September 2006)

#### 2007 forecasts

- Consolidated ROE forecast confirmed at 34%
- Non-Life loss ratio: 67.9% (previous forecast 67.8%)
- Non-life combined ratio: 97.2% (previous forecast 97.1%)

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 2007, has approved the consolidated quarterly interim report.

In the first 9 months of 2007 (9M07) consolidated profit attributable to parent company shareholders amounted to € 88.5 million (mn) vs. € 27.2 mn in the same period in 2006 (9M06) (+225.0%). The major increase in profit is due to the capital gain made on the sale, by the associate company Yarpa International Holding BV, of Cogedim SA.

As already anticipated in the half-year report as at 30 June 2007, improvement of the insurance business as up to 30 September was set against a reduction in income in the real-estate business. This was due to the different type of activities currently underway, primarily focusing on development and promotion operations (medium/long-term) rather than on trading (short term). Related income will therefore emerge over an extended time span.

Total inflows rose to € 447.1 mn with an increase of 11.9% YoY.

IFRS insurance premiums rose to € 440.7 mn, with a 13.8% YoY increase.

Premiums for direct Life business, which exclude policies classified as investment contracts, amounted to € 90.4 mn, growing by 32.4% YoY.

Premiums for direct Non-Life (property & casualty) business amounted to € 350.0 mn with an increase of 10.1% YoY.

Premiums for Motor lines amounted to € 247.5 mn with an increase of 4.9% YoY.

Premiums for direct Other Non-Life lines totalled € 102.5 mn, growing by 24.8% YoY.

The Non-Life combined ratio<sup>1</sup> and loss ratio<sup>2</sup>, as at 30 September 2007, were respectively 97.8% and 69.9% (98.0% and 70.0% as at 30 September 2006).

Investments amounted to a total of € 1,969.7 mn (+15.2% vs. 31 December 2006), split between € 1,861.7 mn for investments for which risk is borne by the Group and € 108.1 mn with risk borne by policyholders. Income from investments with risk borne by the Group amounted to € 116.0 mn (+106.4% vs. 9M06) and included real-estate income of € 6.6 mn (€ 13.1 mn in 9M06).

Equity attributable to parent company shareholders amounted to € 319.0 mn whilst minority interest amounted to € 6.8 mn.

At the end of the period for conversion of the subordinated loan envisaged for the current FY, the direct operating parent company's share capital has risen from € 30,451,623 to € 32,666,088.

In view of performance in the period the consolidated ROE<sup>3</sup> forecast for FY2007 is confirmed at 34% (17.8% in FY2006).

The FY2007 forecasts for the Non-Life combined ratio and loss ratio are amended to 97.2% and 67.9% respectively (the previous forecasts were 97.1% and 67.8%).

As up to 30 September 2007, the direct operating parent company, Vittoria Assicurazioni SpA, showed a net profit – based on Italian GAAPs – of € 22.3 mn (vs. € 23.5 mn in 9M06). Compared with 9M06, net profit featured lower recognition of dividends, due to different timing of their payout. After the period examined (i.e. on 22 October 2007), € 17.1

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<sup>1</sup> (claims + operating expenses + amortisation of intangible assets + technical accounts) / earned premiums

<sup>2</sup> claims/earned premiums of retained business

<sup>3</sup> Net profit attributable to parent company shareholders / ((opening equity + year-end equity)/2). Equity excludes the reserve for latent capital gains

mn was collected for dividends paid out by the associate company Yarpa International Holding BV.

Milan, 9 November 2007

*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 reclassified individual income statement of Vittoria Assicurazioni S.p.A.

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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 throughout Italy, via an extensive sales organisation with over 230 agencies, 350 sub-agencies, and agreements with 240 bank branches. Vittoria Assicurazioni is an insurer for consumers, households and small and medium enterprises (SMEs).

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**Vittoria Assicurazioni S.p.A.**

Consolidated interim financial statements as at and for the nine months ended 30 September 2007

**INCOME STATEMENT**

(in thousands of Euros)

		30/09/07	30/09/06	31/12/06	Third Q 2007	Third Q 2006
1.1	Net premiums	400,032	335,485	484,421	170,867	106,320
1.1.1	<i>Gross premiums</i>	436,550	390,767	563,601	171,086	125,303
1.1.2	<i>Ceded premiums</i>	36,518	55,282	79,180	219	18,983
1.2	Commission income	1,326	645	408	691	10
1.3	Gains or losses on remeasurement of financial instruments at fair value through profit or loss	-17	-4	8	27	40
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	73,467	12,986	18,219	62,281	1,800
1.5	Gains on other financial instruments and investment property	40,874	33,831	46,990	18,732	11,689
1.5.1	<i>Interest income</i>	39,673	32,953	45,175	18,284	11,564
1.5.2	<i>Other income</i>	870	878	1,808	117	125
1.5.3	<i>Realised gains</i>	331	-	7	331	-
1.5.4	<i>Unrealised gains</i>	-	-	-	-	-
1.6	Other income	10,199	17,445	23,530	-3,221	4,025
<b>1</b>	<b>TOTAL REVENUE</b>	<b>525,881</b>	<b>400,388</b>	<b>573,576</b>	<b>249,377</b>	<b>123,884</b>
2.1	Net charges relating to claims	307,310	261,666	375,909	129,630	83,986
2.1.1	<i>Amounts paid and change in technical reserves</i>	330,627	298,496	436,791	126,705	94,574
2.1.2	<i>Reinsurers' share</i>	-23,317	-36,830	-60,882	2,925	-10,588
2.2	Commission expense	555	315	602	307	67
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	184	91	408	115	22
2.4	Losses on other financial instruments and investment property	4,736	3,624	5,215	2,425	1,313
2.4.1	<i>Interest expense</i>	4,735	3,572	5,161	2,467	1,304
2.4.2	<i>Other expense</i>	-	-	-	-	-
2.4.3	<i>Realised losses</i>	-	9	9	-	9
2.4.4	<i>Unrealised losses</i>	1	43	45	-42	-
2.5	Operating costs	105,116	86,424	127,559	43,966	25,274
2.5.1	<i>Commissions and other acquisition costs</i>	80,986	62,618	94,474	35,811	17,443
2.5.2	<i>Investment management costs</i>	705	591	859	333	219
2.5.3	<i>Other administrative costs</i>	23,425	23,215	32,226	7,822	7,612
2.6	Other costs	7,053	7,553	12,014	1,498	1,998
<b>2</b>	<b>TOTAL COSTS</b>	<b>424,954</b>	<b>359,673</b>	<b>521,707</b>	<b>177,941</b>	<b>112,660</b>
	<b>PROFIT FOR THE YEAR BEFORE TAXATION</b>	<b>100,927</b>	<b>40,715</b>	<b>51,869</b>	<b>71,436</b>	<b>11,224</b>
3	Income taxes	12,610	12,620	15,344	4,401	4,411
	<b>PROFIT FOR THE YEAR</b>	<b>88,317</b>	<b>28,095</b>	<b>36,525</b>	<b>67,035</b>	<b>6,813</b>
<b>4</b>	<b>GAIN (LOSS) ON DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>CONSOLIDATED PROFIT</b>	<b>88,317</b>	<b>28,095</b>	<b>36,525</b>	<b>67,035</b>	<b>6,813</b>
	<b>of which attributable to the shareholders of the parent</b>	<b>88,542</b>	<b>27,242</b>	<b>35,407</b>	<b>67,890</b>	<b>6,590</b>
	<b>of which attributable to minority interests</b>	<b>-225</b>	<b>853</b>	<b>1,118</b>	<b>-855</b>	<b>223</b>
	Basic EARNINGS per share	2.71	0.90	1.16	2.08	0.22
	Diluted EARNINGS per share	2.63	0.82	1.07	2.01	0.20

# Vittoria Assicurazioni S.p.A.

## Reclassified profit and loss account

(in thousands of Euros)

	30/09/07	30/09/06	31/12/06	Third Q 2007	Third Q 2006
<b>Technical account</b>					
<b>Life businesses:</b>					
<b>Direct insurance</b>					
(+) Gross premiums accounted for	96,744	80,372	131,703	27,258	22,340
(-) Charges relating to claims	60,200	65,716	107,866	16,733	26,620
(-) Change in mathematical and other technical reserves	38,779	28,993	44,074	6,255	4,847
(+) Other technical captions, net	656	653	940	160	141
(-) Operating costs	17,707	9,433	14,632	5,541	2,949
(+) Return on investments where the company bears the risk net of the portion transferred to the non-technical account	22,371	20,747	27,839	6,965	7,179
(+) Income on investments where policyholders bear the risk - Class D	-304	6,680	10,917	-6,391	4,888
<b>Direct insurance result</b>	<b>2,781</b>	<b>4,310</b>	<b>4,827</b>	<b>-537</b>	<b>132</b>
Outwards reinsurance result	-200	100	271	135	179
<b>Retained direct insurance result</b>	<b>2,581</b>	<b>4,410</b>	<b>5,098</b>	<b>-402</b>	<b>311</b>
Indirect and retroceded insurance result	-42	-31	-41	-1	1
<b>Result of life business technical account</b>	<b>2,539</b>	<b>4,379</b>	<b>5,057</b>	<b>-403</b>	<b>312</b>
<b>Non-life businesses:</b>					
<b>Direct insurance</b>					
(+) Gross premiums accounted for	349,970	318,005	454,560	104,652	96,217
(-) Change in premium reserve	4,417	-3,255	7,613	-11,117	-11,098
(-) Charges relating to claims	239,031	223,457	313,510	80,556	73,127
(-) Change in other technical reserves	290	292	463	99	87
(+) Other technical captions, net	-1,216	-1,922	-1,687	-815	-246
(-) Operating costs	93,395	84,490	116,374	28,932	26,175
<b>Direct insurance result</b>	<b>11,621</b>	<b>11,099</b>	<b>14,913</b>	<b>5,367</b>	<b>7,680</b>
Outwards reinsurance result	-2,129	-3,352	-4,778	-747	-2,251
<b>Retained direct insurance result</b>	<b>9,492</b>	<b>7,747</b>	<b>10,135</b>	<b>4,620</b>	<b>5,429</b>
Indirect and retroceded insurance result	28	245	233	-52	30
<b>Total retained direct insurance result</b>	<b>9,520</b>	<b>7,992</b>	<b>10,368</b>	<b>4,568</b>	<b>5,459</b>
(-) Change in equalisation reserves	199	185	271	57	54
(+) Income on investments transferred from the non-technical account	16,005	16,832	20,895	3,679	7,317
<b>Result of non-life business technical account</b>	<b>25,326</b>	<b>24,639</b>	<b>30,992</b>	<b>8,190</b>	<b>12,722</b>
<b>Result of technical account</b>	<b>27,865</b>	<b>29,018</b>	<b>36,049</b>	<b>7,787</b>	<b>13,034</b>
(+) Income on non-life business investments net of the portion transferred to the technical account	3,649	4,075	4,999	972	1,859
(+) Income on investments transferred from the life business technical account	2,379	1,888	2,496	725	663
(+) Other income	2,415	1,565	1,932	1,020	645
(-) Other charges	4,078	4,118	7,383	1,355	1,376
<b>Result of ordinary business</b>	<b>32,230</b>	<b>32,428</b>	<b>38,093</b>	<b>9,149</b>	<b>14,825</b>
(+) Extraordinary income	502	318	360	-1	15
(-) Extraordinary expense	180	141	248	-80	71
<b>Profit (loss) before taxation</b>	<b>32,552</b>	<b>32,605</b>	<b>38,205</b>	<b>9,228</b>	<b>14,769</b>
(-) Taxation on profit for the year	10,223	9,129	10,768	3,923	4,417
<b>Net profit (loss)</b>	<b>22,329</b>	<b>23,476</b>	<b>27,437</b>	<b>5,305</b>	<b>10,352</b>