

PRESS RELEASE

RESULTS AS OF JUNE 30th, 2011 APPROVED:

- **CONSOLIDATED NET PROFIT OF € 25 MILLION**
(€ 38 million excluding the effect of the higher IRAP tax rate and the write-down of Greek government securities, compared to € 31 million for June 2010)

- **CONSOLIDATED PREMIUMS WRITTEN OF € 2,089 MILLION**
 - Non-life premiums +2.1%
 - Life premiums written -39.7%

- **POSITIVE BUSINESS PERFORMANCE CONFIRMED**
 - Combined ratio stands at 97.4% (97.7% at December 31st, 2010)

- **SOLVENCY MARGIN 1.4 TIMES THE REGULATORY MINIMUM**

Verona, Italy, August 5th, 2011 Today, the Cattolica Assicurazioni Board of Directors, chaired by Paolo Bedoni, unanimously approved the Interim Report as of June 30th, 2011 of the Cattolica Group.

The first part of 2011 confirms the Group's equity soundness and a further improvement in business performance, despite a difficult macroeconomic and market scenario.

Consolidated net profit is equal to € 25 million, down 19.4% compared to the € 31 million recorded in the same period in 2010. This result was affected by € 11 million in write-downs of Greek government securities and € 2 million in other shares and bonds held¹.

The **Group net profit** stands at € 24 million (€ 31 million as of June 30th, 2010, down 22.6%).

Excluding the extraordinary effects of the higher IRAP tax rate and write-down of the Greek government securities, consolidated net profit would be € 38 million and Group net profit € 34 million.

Total direct and indirect premiums written² totalled € 2,089 million (€ 2,893 million in the same period of 2010, -27.8%).

Total direct non-life premiums written increased from € 810 million as of June 30th, 2010 to € 827 million for the first six months of 2011, up 2.1%. The **motor segment**

¹ Impairment net of tax effects and shadow accounting effects.

² Includes insurance premiums and life business investments as defined in IFRS 4.

recorded premiums written of € 479 million, up 4.6% on the same period in 2010. The Group result in the **non-motor classes** remained more or less stable with premiums written of € 348 million (-1.1%). These results were achieved by maintaining the usual strict underwriting policy.

In the **life segment**, direct premiums written recorded € 1,248 million (€ 2,069 million as of June 30th, 2010), down 39.7% in line with market trends. The decrease is mainly due to the fall in premiums written through the banking channel, which in 2010 had benefited from a particularly favourable economic situation that would be difficult to repeat. Class III products increased by 44.2%, achieving premiums written of € 149 million against the € 103 million recorded as of June 30th, 2010.

The first six months of 2011 **confirmed the positive business performance**. In the non-life segment the **combined ratio**³ was 97.4%, recording a further improvement on the ratio recorded at the end of 2010 and in the first quarter of 2011.

As at June 30th, 2011 **consolidated shareholders' equity** stood at € 1,329 million, in line with the figure as at December 31st, 2010 (€ 1,353 million).

The Group's **solvency margin** is 1.4 times the regulatory minimum and remains constant compared to that recorded as at December 31st, 2010 net of dividends paid, confirming the equity soundness of the Group.

Investments totalled € 16,182 million. **Non-life business technical provisions** amounted to € 2,964 million and **life business technical provisions** to € 13,001 million including financial liabilities. The **result of investments**⁴ was € 179 million for the first six months of 2011, net of the aforementioned write-downs.

Outlook for business activities

Tension related to sovereign debt, particularly in Euro Area countries, has led to strong financial market volatility, developments in which in the second half of the year could influence the income and equity performance of insurance companies.

Despite the current market scenario, the business performance remains in line with Plan objectives.

The Managing Director of Cattolica Assicurazioni, Giovan Battista Mazzucchelli, announced: "The Interim Report figures confirm that business performance remains positive, this being a fundamental indicator of the health of an insurance group. Considering the inevitable effects of the financial crisis, this result is in line with expectations and demonstrates the degree of soundness and competitiveness achieved by Cattolica".

In accordance with art. 154-*bis*, paragraph 2 of the Consolidated Law on Finance, the executive appointed to draw up the corporate accounting documents, Giuseppe Milone, states that the accounting information disclosed in this press release corresponds with the accounting documents, books and records.

³ Combined ratio for retained business: 1 – (Technical balance/net premiums), including other technical items.

⁴ Excluding investments where the risk is borne by policyholders, gross of related tax effects.

The Company confirms that the Consolidated Interim Report as of June 30th, 2011 of the Cattolica Group, including the Independent Auditors' Report, will be made available to the public at the registered offices and from Borsa Italiana S.p.A. as required by law.

Attached are the reclassified financial statements as of June 30th, 2011 of the Consolidated Interim Report of the Cattolica Group, though it should be noted that this has not yet been certified by the Independent Auditors.

SOCIETA' CATTOLICA DI ASSICURAZIONE

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Cattolica Group - Consolidated Interim Report as of June 30th, 2011

(prepared in accordance with international accounting standards)

Reclassified Balance Sheet (€ millions)	30.06.2011	31.12.2010	Items from obligatory statements (*)
Assets			
Property investments and property	178	179	4.1 + 2.1
Equity investments in subsidiary and associated companies and joint ventures	117	119	4.48
Loans and receivables	1.308	1.290	4.4
Investments held to maturity	270	74	4.3
Financial assets available for sale	9.487	9.254	4.5
Financial assets at fair value recorded in the income statement	4.383	4.808	4.6
Cash and cash equivalents	439	586	7
Investments	16.182	16.310	
Intangible assets	328	327	1
Technical provisions - reinsurance amount	620	606	3
Other assets net of other liabilities	734	773	(**)
ASSETS	17.864	18.016	
Liabilities and shareholders' equity			
Share capital and reserves	1.304	1.283	
Consolidated result	25	70	
Consolidated shareholders' equity	1.329	1.353	1
Provision for unearned premiums	627	596	
Provision for outstanding claims	2.337	2.345	
Gross technical provisions - non-life	2.964	2.941	3
Gross technical provisions - life	11.984	12.069	3
Other gross non-life technical provisions	3	3	3
Other gross life technical provisions	319	358	3
Financial liabilities	1.265	1.292	4
<i>of which deposits from policyholders</i>	<i>1.017</i>	<i>1.036</i>	
LIABILITIES AND SHAREHOLDERS' EQUITY	17.864	18.016	

Reclassified Income Statement (€ millions)	30.06.2011	30.06.2010	Items from obligatory statements (*)
Revenues and income			
Net premiums	1.817	2.413	1.1
Commission income	3	4	1.2
Income and charges deriving from financial instruments valued at fair value recorded in the income statement	32	158	1.3
<i>of which class D</i>	<i>30</i>	<i>160</i>	
Income deriving from equity investments in subsidiary and associated companies and joint ventures	-	-	1.4
Income deriving from other financial instruments and property investments	269	293	1.5
Other revenues	21	53	1.6
Total revenues and income	2.142	2.921	
Costs and charges			
Net charges relating to claims	-1.703	-2.451	2.24
Commission expense	-2	-5	4.48
Charges deriving from equity investments in subsidiary and associated companies and joint ventures	-1	-	7.12
Charges deriving from other financial instruments and property investments	-85	-62	9.36
Operating expenses	-236	-236	12.00
<i>Commission and other acquisition costs</i>	<i>-162</i>	<i>-159</i>	
<i>Operating expenses relating to investments</i>	<i>-7</i>	<i>-7</i>	
<i>Other administrative expenses</i>	<i>-67</i>	<i>-70</i>	
Other costs	-70	-97	14.24
Total costs and charges	-2.097	-2.851	
Pre-tax results	45	70	
Taxation	-20	-40	3
Net profit for the period	25	30	
Profit from discontinued operations	0	1	4 (***)
CONSOLIDATED PROFIT FOR THE PERIOD	25	31	
Result pertaining to minority shareholders	1	0	
RESULT PERTAINING TO THE GROUP	24	31	

(*) Indicates the items on the statements in the consolidated financial statements as per ISVAP regulation No. 7 of July 13th, 2007

(**) Sundry receivables, other asset items, and other tangible assets (balance sheet items under assets = 5 + 6 + 2.2) net of provisions, payables and other liabilities items (balance sheet items under liabilities = 2 + 5 + 6).

(***) With reference to the previous period, following the disposal on June 24th, 2010 of Cattolica Immobiliare's investment in Polo Finanziario and transactions in progress as at June 30th, 2010 which resulted in elimination of the control by Cattolica Assicurazioni in subsidiary Apogeo Consulting Sim as of June 7th, 2010, economics of both the Companies as at June 30th, 2010 are reclassified in the item n.4 "Profit from discontinued operations" in accordance with IFRS 5 (paragraphs 33 and 35).