



Press Release

THE BOARD OF DIRECTORS OF AURORA ASSICURAZIONI APPROVED THE RESULTS OF THE FIRST HALF OF 2006

The Board of Directors of **Aurora Assicurazioni S.p.A.** (Unipol Group), held today, approved the results as at 30 June 2006.

Total premium income in the first half of 2006 was €1,656.3m (-2.4% compared with €1,697.7m in the first half of 2005), split as follows:

- Non-life premiums amounted to €1,060.8m (+2.4% over the first half of 2005)
- Life premiums amounted to €595.5m (-10.0% over the first half of 2005).

Amounts paid for claims, surrendered policies, matured policies and annuities, including claims handling expenses, totalled €1,440.8m (€1,179m as at 30 June 2005).

Technical provisions, net of reinsurers' share, amounted to €10,177.8m (€10,154.8m as at 31 December 2005), an increase of €23m or 0.2%; net technical provisions on retained premiums went from 3.2 in 2005 to 3.3 in 2006; in Non-Life business the ratio was 2 (unchanged over 2005), whereas in Life business it was 5.2 compared with 5 in 2005.

Investments and liquid assets totalled €10,602.9m (€10,632.3m as at 31 December 2005), a decrease of €29.4m or 0.3%.

Technical result in Non-Life business, net of reinsurance result, was €29.2m (€25.0m in the first half of 2005).

Ordinary and extraordinary capital gains and investment income, net of charges and including value adjustments, were €112.5m (€272.7m in the first half of 2005), decreasing in comparison with the same period of 2005 because of the trend in financial markets, which led to substantial net value adjustments on investments (€125.9m compared to €34.2m on 30 June 2005), as well as the non-recurring nature of extraordinary gains on property for €74m made in 2005. A capital gain of €40.2m was also realised on the disposal of the shareholding in BNL.

Consequently, the result of the technical account, which included allocated investment returns for the period, was overall positive for €21.6m (€87m in the first half of 2005).

The above mentioned higher value adjustments on financial investments and the lower incidence of extraordinary items also impacted on the economic result for the period, which closed with a net profit of €25m (€119.4m as at 30 June 2005). Furthermore, the performance recorded in the following two months led to a remarkable recovery in the value of the financial investments.

In the end, it is hereby pointed out that the Independent Auditors are currently completing their work on the half-yearly accounts.

San Donato Milanese, 5 September 2006

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Please note that the original Press Release is in Italian. In case of doubt, the Italian version prevails.

Aurora Assicurazioni SpA

CASH FLOW STATEMENT (€K)	30/06/2006	31/12/2005
CASH INFLOW:		
Cash inflow from operating activities		
Net profit for the financial year	24,954	174,143
Value adjustments on items with no impact on cash flow		
Decrease in intangible assets	9,027	21,920
Increase in depreciation and amortization funds	2,539	5,135
Write-downs on investments and write-ups	132,603	78,287
Net increase in technical provisions	23,042	798,735
Increase in provisions for risks and charges	610	29,319
Decrease in receivables and other assets, including write-downs	80,530	38,130
Decrease in payables and other liabilities	-18,180	-20,281
Increase in prepayments and accrued income	-10,375	-10,758
Decrease in accruals and deferred income	-369	-1,634
Cash inflow from operating activities	244,380	1,112,996
Divestments and other cash inflow		
Sales of land and buildings	386	153,357
Sales of group undertakings	397,062	3,716
Other financial divestments:		
- shares and participating interests	1,654,351	2,409,478
- units and shares in investment funds	17,376	19,176
- debt securities and other fixed-income securities	3,089,529	15,193,534
- sundry financial investments	6,652,091	19,003,042
- change in class D investments	38,825	0
- loans	3,642	9,253
Tangible assets and stocks (fixtures, fitting, equipment and motor vehicles)	48	443
Deposits with ceding undertakings	0	1,119
TOTAL CASH FLOW	12,097,690	37,906,114
CASH INFLOWS WERE INVESTED AS FOLLOWS:		
Investments in land and buildings	654	3,348
Investments in group undertakings	0	542,572
Other financial investments:		
- shares and participating interests	1,995,629	2,481,118
- units and shares in investment funds	84,439	14,862
- debt securities and other fixed-income securities	3,971,436	15,227,345
- loans	5,706	10,691
- sundry financial investments	6,001,008	18,951,689
- change in Class D investments	0	45,470
Tangible assets and stocks (fixtures, fitting, equipment and motor vehicles)	1,465	11,466
Decrease in deposits received from reinsurers	1,710	44,138
Dividends paid	137,970	137,051
TOTAL CASH FLOW INVESTED	12,200,016	37,469,750
CASH AT BANK AND IN HAND AS AT 1 JANUARY	-1,177,738	-741,374
CASH AT BANK AND IN HAND AS AT 31 DECEMBER	1,075,411	1,177,738
INCREASE (DECREASE) IN CASH FLOW	-102,327	436,364
TOTAL CASH FLOW	12,097,690	37,906,114

Aurora Assicurazioni SpA

BALANCE SHEET (€K)	30/06/2006	31/12/2005
Assets		
Intangible assets	319,008	328,035
Investments	8,894,144	8,782,466
- Land and buildings	37,843	37,730
- Shares and participating interests (including group undertakings)	927,413	1,058,804
- Units and shares in investment funds	84,235	20,463
- Debt securities and other fixed-income securities (including group undertakings)	7,710,807	6,882,755
- Loans	32,257	30,192
- Sundry financial investments	101,059	751,992
- Deposits with ceding undertakings	530	530
Investments for the benefit of Life assurance policyholders who bear the investment risk thereof and arising out of pension funds management	633,303	672,128
Technical provisions - reinsurers' share	451,582	446,536
- Non-Life business - technical provisions	334,825	328,307
- Life business - technical provisions	116,757	118,229
Debtors	551,195	615,959
Other assets	1,145,231	1,264,293
Prepayments and accrued income	87,358	76,983
TOTAL ASSETS	12,081,821	12,186,400
Liabilities		
Capital and reserves	980,269	1,093,285
- Subscribed share capital	248,347	248,347
- Reserves	706,968	670,795
- Profit (loss) for the financial year	24,954	174,143
Technical provisions	9,996,083	9,929,167
- Non-Life business - technical provisions	4,266,039	4,177,447
- Life business - technical provisions	5,730,044	5,751,720
Technical provisions where the investment risk is borne by policyholders and provisions arising out of pension funds management	633,299	672,128
Provisions for other risks and charges	59,566	58,956
Deposits received from reinsurers	145,337	147,047
Creditors	154,604	167,064
Other liabilities	111,790	117,511
Accruals and deferred income	873	1,242
TOTAL LIABILITIES	12,081,821	12,186,400

Aurora Assicurazioni SpA

PROFIT AND LOSS ACCOUNT (€K)	30/06/2006	30/06/2005
<i>Written premiums</i>	1,656,266	1,697,688
<i>Change in provisions for unearned premiums (Non-Life business)</i>	-55,145	-7,937
<i>Change in math. provisions (Life business)</i>	52,176	-241,000
<i>Operating expenses (acquisition and administrative)</i>	-268,235	-272,900
<i>Paid claims (Non-Life), sums paid and changes in sums to be paid (Life)</i>	-1,455,756	-1,252,431
<i>Paid claims of previous financial years (Non-Life)</i>	1,129	6,305
<i>Other technical items</i>	-6,553	-4,824
Balance on the technical account	-76,118	-75,099
<i>Net income on investments (direct business)</i>	91,673	180,317
Balance on technical direct business	15,555	105,218
<i>Change in other math. provisions (equalization - Non-Life)</i>	-216	-243
<i>Balance on reinsurance</i>	6,282	-18,048
<i>Net income on investments (indirect business)</i>	18	113
Balance on operating activities	21,639	87,040
<i>Other net investment income</i>	1,783	17,470
<i>Other net ordinary income (charges)</i>	-3,824	-3,019
<i>Net extraordinary income (charges)</i>	20,299	75,506
Profit before taxation	39,897	176,997
<i>Tax on profit for the financial year and deferred taxation</i>	-14,943	-57,634
NET PROFIT FOR THE FINANCIAL YEAR	24,954	119,363