

Press release

Winterthur Assicurazioni and Winterthur Vita's draft accounts for 2003 have been approved.

Their aggregate net profit was €94m;  
their total premium income was €1,929m.

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*Milan, 27 February 2004* – **The Boards of Directors of Winterthur Assicurazioni and Winterthur Vita have today approved both sets of draft accounts for 2003, which are to be presented to their respective General Shareholders' Meeting for approval.**

### **Winterthur Assicurazioni**

With gross profit for 2003 of €138.1m, up 25% compared with the €110.5m achieved in 2002, net profit amounted to €75.4m compared with €86.8m in the previous year, a fall of 13.1% owing to the fact that the company did not enjoy any tax advantages as a result of losses for previous years as it had done in the previous few financial years.

Premium income, which amounted to €1,333m, was up by 1.2% and operating expenses fell by 3.4%, bringing their incidence on premiums down to 23.7% from 24.8% in 2002, whilst the total cost of claims rose by only 1%, although the loss ratio actually fell from 73.2% to 69.8%.

The technical result of direct business improved considerably (+79.7%, from €95.6m to €171.9m), a significant contribution being made by asset management (€84m, +12.4%).

As far as the trend in the individual types of business is concerned, growth in Motor TPL was limited to 3.1%, partly as a result of a tariff policy that was in line with the Memorandum of Understanding entered into by Ania, the Ministry of Production and consumers. In Accident and Health business the 11.7% drop in premium income was due to the policy of streamlining the portfolio.

In view of the continuing uncertainty in the financial markets investment management gave good returns, reaching a net figure of €100.3m (+13.8%).

The total of investments and available cash rose by 7.4% to reach €2,511m.

### **Winterthur Vita**

The company recorded a rise in gross profit from €12.3m to €29.8m. There was also a rise in net profit, which reached €18.8m in 2003 compared with €10.4m in 2002.

The technical result of direct business was also up (+210.8%, from €8m to €25.8m).

On the other hand premium income fell considerably (-17.4%, from €721m to €596m) as a result of the decision, which had already been implemented in the previous financial year, to aim at selling more annual than single-premium policies, the importance of which in terms of amount, together with their inherent volatility, caused some instability in the portfolio.

Most income was generated by the traditional type of product. A good result was achieved from placing index-linked policies, in line with clients' greater liking for this type of product. Operating expenses were slightly up (+2.3%) whilst payments rose much further (+51.8%) because of the length of time the portfolio has been in operation.

The total of investments and available cash rose by 13.5% to reach €3,459m, with net income from investments in equities and bonds of €120.1m compared with €130.2m in the 2002 financial year (-7.7%).

### **The changing corporate situation**

Winterthur and Meieaurora are currently being merged to give rise to Aurora Assicurazioni. Winterthur Assicurazioni's and Meieaurora's General Shareholders' Meetings recently approved the plans, which will see the birth of the third-largest composite insurance company in Italy, with premium income of €3,200m, capital and reserves of €1,000m and assets under management of €9,000m.

The company, which will have its registered office in San Donato Milanese, will employ some 2,400 staff and will have a sales network consisting of more than 1,300 agencies.

**For further information please contact our Press and Public Relations Department: Ufficio Comunicazione Winterthur Italia, Via San Vigilio, 1 – Milan**

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