



## **Press Release**

### **THE BOARD OF DIRECTORS APPROVED THE 2005 DRAFT ACCOUNTS**

**TOTAL PREMIUM INCOME: €3,335.1m (+1.8% over 2004)**

**NON-LIFE PREMIUM INCOME: €2,063.8m (-3.9%)**

**LIFE PREMIUM INCOME: €1,271.2m (+12.5%)**

**NON-LIFE COMBINED RATIO: 93.7% (92.4% in 2004)**

**NET PROFIT: €174.1m (+19.8%)**

**PROPOSED DIVIDEND: €0.15 for each ordinary share with coupon to be detached on 24 April 2006 and expected payment on 27 April 2006**

The Board of Directors of **Aurora Assicurazioni S.p.A. (Unipol Group)**, held today under the Chairmanship of Franco Migliorini, approved the draft accounts for the 2005 financial year and the Board report.

Net profit for the financial year was €174.1m (€145.3m as at 31.12.2004, an increase of 19.8%).

2005 premium income totalled €3,335.1m (+1.8% compared to €3,277.2m in the previous year), distributed as follows:

- Non-Life premium income was €2,063.8m (-3.9% over 2004)
- Life premium income was €1,271.2m (+12.5% over 2004)

Amounts paid for claims, surrendered policies, matured policies and annuities, including claims handling expenses, totalled €2,209.9m (€2,071.4m as at 31.12.2004), an increase of 6.7%.

Technical provisions, net of reinsurers' share, were €10,154.8m (€9,356.0m as at 31.12.2004), an increase of €798.7m (+8.5%); reserving ratio (net technical provisions on retained premiums) rose to 320% in 2005 from 310% in 2004; in Non-Life business the ratio was 201% (unchanged over 2004), whereas in Life business it was 501% compared with 504% in 2004.

Result of the technical account, which includes allocated investment returns, was overall positive for €198.4m (€220.9m as at 31.12.2004); in Non-Life business the

figure was €192.4m (€204.2m in 2004) and in Life business it was €6.0m (€16.7m in 2004).

Investment and liquid assets totalled €10,632.3m (€9,790.2m as at 31.12.2004), an increase of €842m, or 8.6%.

Ordinary and extraordinary property and financial income, net of charges and including value adjustments, were €425.0m (€372.4m as at 31.12.2004).

The first months of the 2006 financial year showed a trend in core business in line with the results achieved in 2005.

Also for 2006 Aurora confirmed the strategic guidelines as defined in its development plan, focussing on:

- improvement in internal organization and operating management of the Company;
- strong development of the Company's innovative ability, especially referring to products and services;
- considerable increase in distribution effectiveness and efficacy;
- laying down and validating common values to create and consolidate a stronger sense of corporate citizenship among all the associates (employees, managers, agents and their union organizations).

The Board of Directors of Aurora Assicurazioni S.p.A. will also propose to the forthcoming Shareholders' Meeting the distribution of a total dividend of €137,970,434.85, corresponding to a dividend of €0.15 for each ordinary share having nominal value of €0.27, with coupon to be detached on 24 April 2006 and payment as from 27 April 2006.

The ordinary Shareholders' Meeting of Aurora Assicurazioni S.p.A. has been convened for 11:00 a.m. on 20 April 2006 in first call and, if necessary, for the same time on 21 April 2006 in second call.

Annexed are the Profit and Loss Account, Balance Sheet and Cash Flow Statement.

16 March 2006

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# Aurora Assicurazioni SpA

<b>PROFIT AND LOSS ACCOUNT (€K)</b>	<b>31/12/2005</b>	<b>31/12/2004</b>
<i>Written premiums</i>	3,333,432	3,275,797
<i>Change in provisions for unearned premiums (Non-Life business)</i>	14,547	-10,731
<i>Change in math. provisions (Life business)</i>	-638,254	-548,026
<i>Operating expenses (acquisition and administrative)</i>	-548,291	-560,763
<i>Paid claims (Non-Life), sums paid and changes in sums to be paid (Life)</i>	-2,306,115	-2,280,788
<i>Paid claims of previous financial years (Non-Life)</i>	62,167	67,315
<i>Other technical items</i>	-7,320	-7,095
<b>Balance on the technical account</b>	<b>-89,834</b>	<b>-64,291</b>
<i>Net income on investments (direct business)</i>	312,875	306,894
<b>Balance on technical direct business</b>	<b>223,041</b>	<b>242,603</b>
<i>Change in other math. provisions (equalization - Non-Life)</i>	-461	-410
<i>Balance on reinsurance</i>	-24,385	-21,451
<i>Net income on investments (indirect business)</i>	162	145
<b>Balance on operating activities</b>	<b>198,357</b>	<b>220,887</b>
<i>Other net investment income</i>	15,767	29,046
<i>Other net ordinary income (charges)</i>	-18,243	-25,225
<i>Net extraordinary income (charges)</i>	91,059	27,511
<b>Profit before taxation</b>	<b>286,940</b>	<b>252,220</b>
<i>Tax on profit for the financial year and deferred taxation</i>	-112,797	-106,903
<b>NET PROFIT FOR THE FINANCIAL YEAR</b>	<b>174,143</b>	<b>145,317</b>

# Aurora Assicurazioni SpA

<b>BALANCE SHEET (€K)</b>	<b>31/12/2005</b>	<b>31/12/2004</b>
<b>Assets</b>		
<b>Intangible assets</b>	<b>328,035</b>	<b>349,955</b>
<b>Investments</b>	<b>8,782,466</b>	<b>8,422,149</b>
- Land and buildings	37,730	174,567
- Shares and participating interests (including group undertakings)	1,058,804	497,452
- Units and shares in investment funds	20,463	24,776
- Debt securities and other fixed-income securities	6,882,755	6,891,599
- Loans	30,192	28,754
- Sundry financial investments	751,992	803,352
- Deposits with ceding undertakings	530	1,649
<b>Investments for the benefit of Life assurance policyholders who bear the investment risk thereof and arising out of pension funds management</b>	<b>672,128</b>	<b>626,658</b>
<b>Technical provisions - reinsurers' share</b>	<b>446,536</b>	<b>525,182</b>
- Non-Life business - technical provisions	328,307	372,715
- Life business - technical provisions	118,230	152,467
<b>Debtors</b>	<b>615,959</b>	<b>676,042</b>
<b>Other assets</b>	<b>1,264,293</b>	<b>799,741</b>
<b>Prepayments and accrued income</b>	<b>76,983</b>	<b>66,225</b>
<b>TOTAL ASSETS</b>	<b>12,186,400</b>	<b>11,465,952</b>
<b>Liabilities</b>		
<b>Capital and reserves</b>	<b>1,093,286</b>	<b>1,056,193</b>
- Subscribed share capital	248,347	248,347
- Reserves	670,795	662,529
- Profit (loss) for the financial year	174,143	145,317
<b>Technical provisions</b>	<b>9,929,167</b>	<b>9,254,589</b>
- Non-Life business - technical provisions	4,177,447	4,126,423
- Life business - technical provisions	5,751,720	5,128,166
<b>Technical provisions where the investment risk is borne by policyholders and provisions arising out of pension funds management</b>	<b>672,128</b>	<b>626,616</b>
<b>Provisions for other risks and charges</b>	<b>58,956</b>	<b>29,637</b>
<b>Deposits received from reinsurers</b>	<b>147,047</b>	<b>191,185</b>
<b>Creditors</b>	<b>167,064</b>	<b>190,719</b>
<b>Other liabilities</b>	<b>117,511</b>	<b>114,137</b>
<b>Accruals and deferred income</b>	<b>1,242</b>	<b>2,876</b>
<b>TOTAL LIABILITIES</b>	<b>12,186,400</b>	<b>11,465,952</b>

# Aurora Assicurazioni SpA

CASH FLOW STATEMENT FOR THE 2005 FINANCIAL YEAR (€K)		31/12/2005	31/12/2004
<b>CASH INFLOW:</b>			
<b>Cash inflow from operating activities</b>			
Net profit for the financial year		174,143	145,317
<b>Value adjustments on items with no impact on cash flow</b>			
Decrease in intangible assets		21,920	37,229
Increase in depreciation and amortization funds		5,135	9,056
Write-downs on investments and write-ups		78,287	21,516
Net increase in technical provisions		798,735	748,831
Increase in provisions for risks and charges		29,319	7,457
Decrease in receivables and other assets, including write-downs		38,130	464,453
Decrease in payables and other liabilities		-20,281	-393,091
Change in prepayments and accrued income		-10,758	25,415
Change in accruals and deferred income		-1,634	2,778
<b>Cash inflow from operating activities</b>		<b>1,112,996</b>	<b>1,068,961</b>
<b>Divestments and other cash inflow</b>			
Sales of land and buildings		153,357	34,211
Sales of group undertakings		3,716	396
Other financial divestments:			
- shares and participating interests		2,409,478	524,239
- units and shares in investment funds		19,176	3,320
- debt securities and other fixed-income securities		15,193,534	14,250,144
- sundry financial investments		19,003,042	14,860,901
- loans		9,253	7,798
Tangible assets and stocks (fixtures, fitting, equipment and motor vehicles)		443	204
Increase in deposits received from reinsurers		0	13,950
Deposits with ceding undertakings		1,119	396
<b>TOTAL CASH FLOW</b>		<b>37,906,114</b>	<b>30,764,519</b>
<b>CASH INFLOWS WERE INVESTED AS FOLLOWS:</b>			
Investments in land and buildings		3,348	10,134
Investments in group undertakings		542,572	22,097
Other financial investments:			
- shares and participating interests		2,481,118	632,614
- units and shares in investment funds		14,862	12,898
- debt securities and other fixed-income securities		15,227,345	13,786,705
- loans		10,691	10,191
- sundry financial investments		18,951,689	15,470,375
- Class D investments		45,470	109,686
Tangible assets and stocks (fixtures, fitting, equipment and motor vehicles)		11,466	3,806
Decrease in deposits received from reinsurers		44,138	0
Dividends paid		137,051	125,742
<b>TOTAL CASH FLOW INVESTED</b>		<b>37,469,750</b>	<b>30,184,249</b>
CASH AT BANK AND IN HAND AS AT 1 JANUARY		-741,374	-161,104
CASH AT BANK AND IN HAND AS AT 31 DECEMBER		1,177,738	741,374
<b>INCREASE IN CASH FLOW</b>		<b>436,364</b>	<b>580,270</b>
<b>TOTAL CASH FLOW</b>		<b>37,906,114</b>	<b>30,764,519</b>