



Annual Report 2005

2005

8,100 dedicated employees

turnover of 1.2 billion euros, **+11%**

net profit of 47.8 million euros, **+107%**



Worldwide leader in
assistance services
and travel insurance

Annual Report 2005

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Editorial

Mondial Assistance Group, international leader in travel insurance and assistance, continued to pursue its dynamic strategy of profitable growth in 2005, reporting an 11% increase in turnover and a 107% increase in net result.

2005 confirms continuous growth trend

Since its creation in 2000, Mondial Assistance Group has achieved a compound annual growth rate in turnover of 8.7%. In 2005, our Group recorded sales of 1.221 billion euros, an increase of 11% compared to 2004. This increase reflects the Group's commercial dynamism, continued evolution of our traditional activities and ongoing investment in potential growth sectors.

The overall balance between continents remained stable in 2005, even though Europe reported a very slight reduction in favour of the other zones: Europe accounts for 78% of activity (vs. 82% in 2004), North America accounts for 11.7% of sales (+1.3 pts), South America for 4.7% (+0.9 pts) and the Asia-Pacific region for 5.6% (+1.2 pts). All continents and zones accelerated the development of their activities and the more mature markets continue to integrate new growth areas. For example, in 2005, Brazil, Portugal and Australia, representing a cumulative growth of +40%, made a significant contribution to our overall Group development. Moreover, Canada, the USA, Spain, the Czech Republic, Greece and Austria have all posted double-digit growth, higher than the Group's average.

2005 results reflect sound financial health

In 2005, Mondial Assistance Group posted a 47.8 million Euros net profit after taxes, for a 107% increase compared to 2004. On average, since 2000, our Group has achieved a compound annual growth rate in net profit of 22.5%. The successful medium-term effects of the cost containment policy implemented in 2003 have further strengthened our sound financial health and contributed to these results.

It is our people, the Group's greatest asset, and their uncompromising professionalism and multiplicity of skills and talent which produced these excellent results. Continually anticipating clients' needs and earning the trust of our partners each day have strongly reaffirmed our Group's position as an expert, caring and top quality leader in its field.

2006 forecast : focused development and sustainable growth

Mondial Assistance Group will concentrate its geographical expansion on strategic markets and in countries that offer genuine development potential. Today Asia and Eastern Europe offer the best growth perspectives. The Group's four business lines remain the fundamental sectors for its development and growth: automobile assistance with the consistent development of telematics, travel insurance with the solid growth of e-commerce, healthcare services and personal services.



Ida Luka-Lognoné Karl-Heinz Jung Klaus Dührkop Jonathan Ansell Didier Lebrét

This development will also be supported by the deployment of the new Mondial Assistance brand in 2006. This global brand will dynamically align our history, reputation and expertise through a new visual identity, representative of our Group's people-focused business and its key values.

With nearly 8,100 employees in 26 countries, our Group has extremely rich and varied resources and a wealth of successful ideas and experiences to be shared. This sharing of experiences and full use of the natural synergies that exist within the Group will enable us to successfully assume present and future challenges.

Wallisellen and Paris, April 28th, 2006

Jean-Philippe Thierry

Chairman of the Supervisory Board
Mondial Assistance AG

Chairman of AGF

Klaus Dührkop

President of the Executive Committee
Mondial Assistance Group

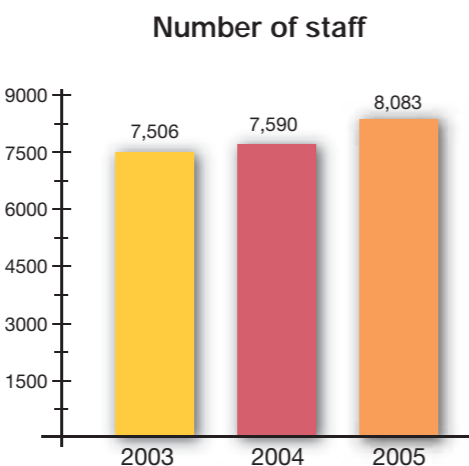
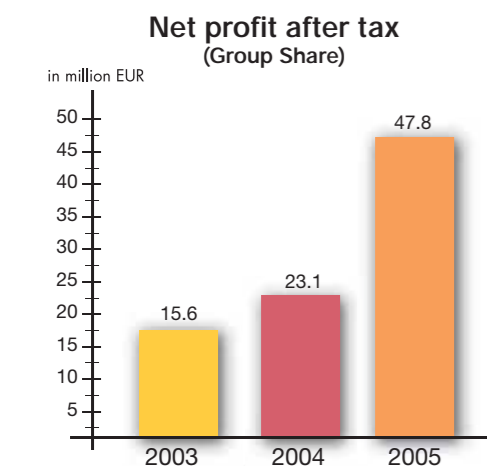
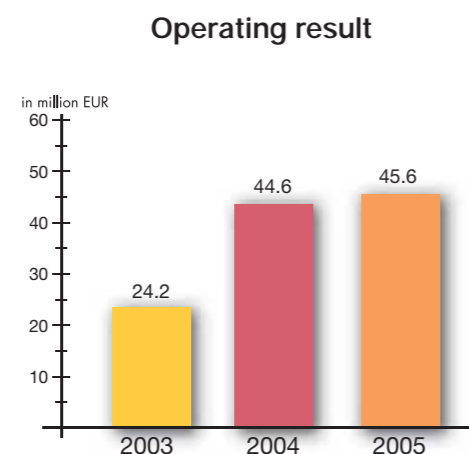
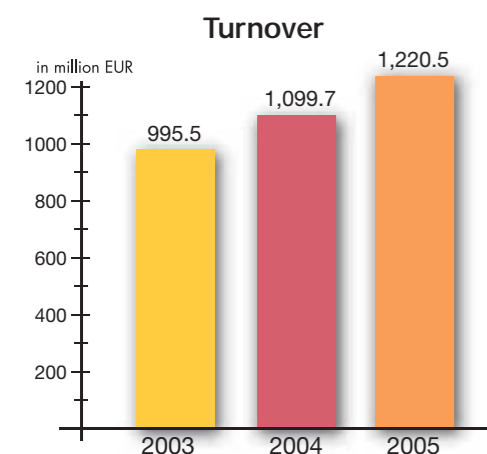
Worldwide Market Leader

Top quality assistance services and travel insurance delivered with care



Each member of the Group is committed to the value of helping others and lives up to this caring commitment on a daily basis by offering personalised assistance.

Key figures



Giving a helping hand through innovative and tailor-made solutions all over the world...

Mondial Assistance Group is the worldwide leader in assistance services and travel insurance. Through its international infrastructure, the Group not only provides its corporate clients around the world with efficient, tailor-made and innovative solutions, but it also offers seamless, personal, real-time assistance to its clients' customers, anytime, anywhere.

Its international presence and global vision have never diminished the Group's involvement on a local level, or its human dimension. Information, experience and resources are shared to create synergies and efficient operations at all stages of an intervention. Its business model is truly multi-local i.e. the Group's organisation and offer are adapted to meet local needs. The Group's international contracts for the automotive and tourism sectors perfectly illustrate this model: designed according to

corporate client specifications, adapted to local country regulations and market conditions, they facilitate integrated and cross border solutions. They also make it possible to coordinate and manage crisis situations thousands of miles away.

People: Mondial Assistance Group's core asset...

The Group, which has been expanding internationally for the past 50 years, now includes a staff of nearly 8,100 dedicated employees, spanning five continents, working in 33 operation centres in 26 countries.

Speaking over 40 languages and trained to deliver appropriate solutions to clients 24 hours a day, 7 days a week, the Group's multi-professional staff unites diverse talents and experiences including assistance coordinators, doctors, nurses, lawyers, network controllers, mechanics, IT professionals, psychologists and specialists in employment support. The international network of 400,000 service providers, accessed by the staff,

in addition to 240 correspondents, who work with the Mondial Assistance Group on a contractual basis, include such professionals as doctors, nurses, airline companies, plumbers, electricians, locksmiths, roadside repair agents, car rental agencies, and specialists in home assistance and child care. Each member of the Group is committed to the value of helping others and lives up to this caring commitment on a daily basis by offering personalised assistance: indeed, each case is unique and deserves to be treated with warmth, understanding and efficiency. Machines and technology support the staff but never replace it!

Up-to-date technological infrastructures for top quality performance...

Through its continual investment in new technologies, the Group's operational teams, whether they receive and handle telephone calls, process and redistribute information or physically intervene at a given site, dispose of a complete range of

sophisticated, technological tools and state-of-the-art resources. Investing in these technologies, which include telematics, telemedicine, e-commerce and internet, location via GPS/GSM systems, cartography, and electronic transmission of information, enables the Group to enter and expand in markets where services are directly linked to an increasingly mobile population. These tools accelerate the relay of information to service providers operating locally, thereby providing interactive, flexible, safe and quality services in any circumstance, in real time.

They also enable the Group to offer a wide range of state-of-the-art travel insurance, assistance and service solutions thereby responding to the changing and specific needs of corporate clients and their customers.

No situation will ever be too great, complex or unusual for the Group to resolve...

Ever attentive to socio-economic and cultural trends as well as to local market specifications, Mondial Assistance Group continually develops diverse and innovative assistance, travel insurance and service solutions for all kinds of situations, anywhere, anytime. The recent, successful launch of domestic health care services, which make everyday life easier, particularly for the elderly and the physically dependant, clearly illustrates this approach. and market conditions, they facilitate integrated and cross border solutions. They also make it possible to coordinate and manage crisis situations thousands of miles away.

Lines of Business

Travel Insurance and medical assistance

Tailor-made travel insurance, both online and offline, for cancellation, luggage, death/disability and third party liability but also packages

which include medical assistance and repatriation, itinerary planning and a crisis help desk available 24/24.

Automotive assistance and related services

On-the-spot roadside assistance, emergency repair, warranty administration, telematics services, tracking of stolen vehicles, geolocalisation, mechanical and technical guarantees as well as CRM services.

Healthcare assistance services

Tele-assistance services for the elderly, in-home temporary child care, telemedicine services and health management schemes focusing on solutions for illness prevention and personal well-being.

Other Services

- **Property assistance:** Assistance in domestic catastrophes such as floods, fires or electrical damage, home surveillance and protection, and maintenance schemes for commercial outlets.

- **CRM and support services:** Customer relations management, concierge services, employment assistance and round-the-clock information call centres for public inquiries.

This look at the Group's business lines and product offer is far from exhaustive. But it demonstrates the flexibility of Mondial Assistance Group's solutions, designed to help its corporate clients and their customers face any situation, simple or complex, anywhere in the world.

Acquiring new corporate clients and building their loyalty

Mondial Assistance has been actively developing close relationships with some corporate clients for more than three decades. Indeed, the building of lasting partnerships is one of its top priorities. Therefore, the Group has



“
The Group's international presence and global vision have never diminished its involvement on a local level, or its human dimension.”

implemented a commercial strategy based on four principles: seamlessness, transparency, tailor-made solutions and long-term commitment. As a result, clients who partnered with Group companies 30 years ago are enjoying the long-term benefits of this commitment.

Assistance, travel insurance and service solutions are recognised as an integral part of our clients' individual businesses. Solutions are tailor-made, designed with the client's corporate culture in mind, created and developed together, integrating the specific and evolving needs of the client's customers. Where advantageous to the client, the Group remains invisible, responding in the name of and on behalf of the client. However, the Group can also appear as the official service provider, if this is in the client's best interest and if regulations so require.

This flexible approach has proven to be highly successful in building loyalty between both corporate clients and their customers, and

Mondial Assistance Group and its corporate clients.

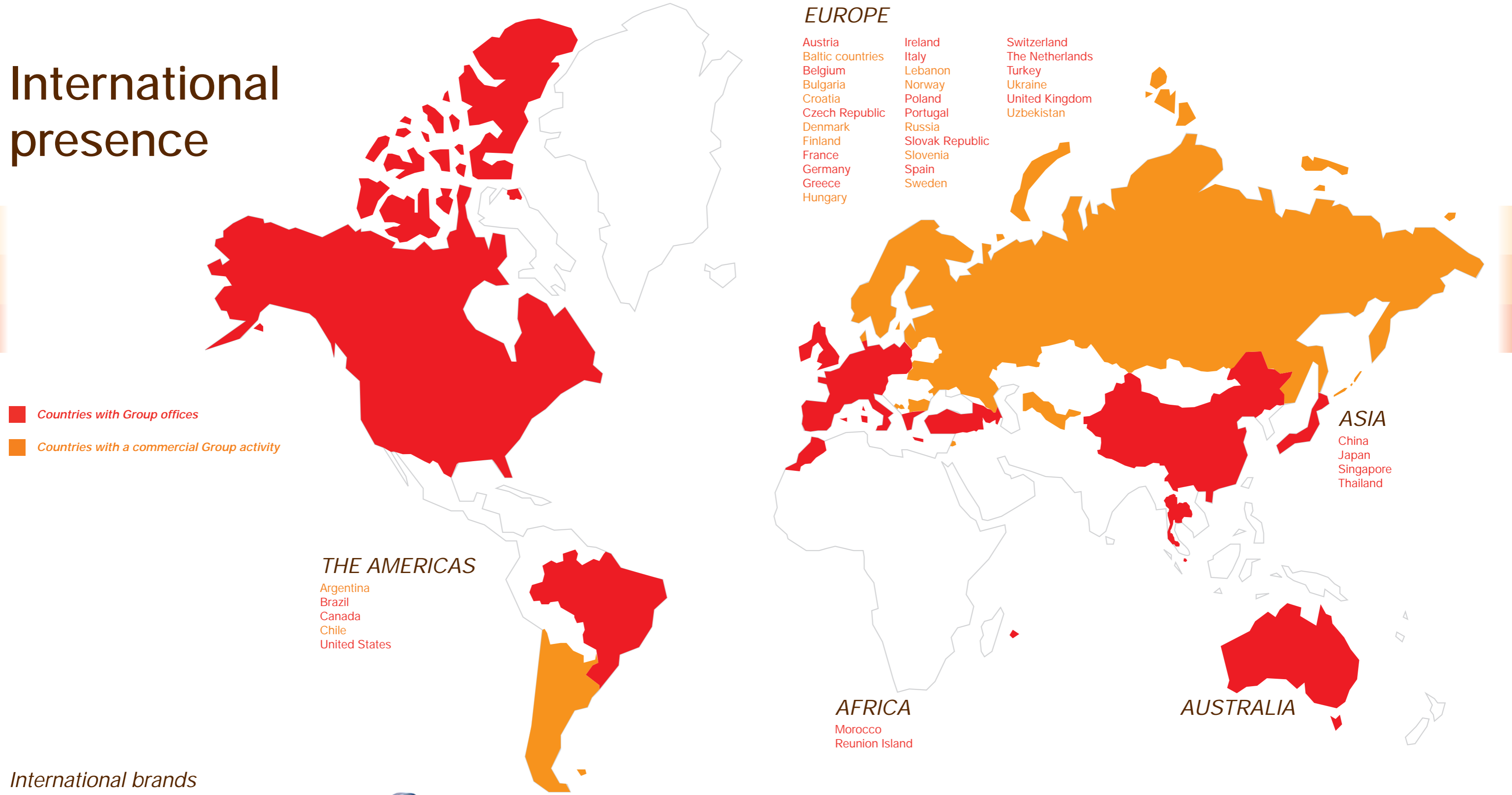
This strategic and geographical accompaniment is a fundamental principle on which all long-term partnerships are based. It is in this spirit of partnership that Mondial Assistance Group looks to build a sustainable, successful future for its clients, their customers and for all its stakeholders.

1 intervention every 3 seconds

24 hours a day,

365 days a year

International presence



International brands



Region by region

Presented in 3 geographical zones, all the Group's entities have contributed in their own local way to the excellent 2005 Group results.



“E-business flourished group wide with the development and launch of new online solutions resulting in new client contracts and successful renegotiations.”

In 2005, the Group's global e-commerce leadership was confirmed. E-business flourished group wide with the development and launch of new online solutions resulting in new client contracts and successful renegotiations on both Group and local levels. Along the traditional activities, healthcare services continued their dynamic growth. Furthermore, the second evaluation of Mondial Assistance's unique worldwide clinic and hospital network was completed in 110 countries. 2005 was also marked by numerous catastrophes, disasters and attacks during which our entities and our people demonstrated their professionalism, their proactivity, their network and connections, and the care with which they serve our customers in need.

**ASIA-PACIFIC
Healthy growth continues**
With a relatively low contribution a few years ago, the Group's business in the Asia Pacific region now represents 5.6% of the Group's total sales. Given the trends demonstrated in 2005, this figure should continue to climb.

Lead position in Australia
Our Australian business, currently our largest in the region, continued to expand throughout 2005 with consistent strong growth in e-commerce, travel insurance and student healthcare services. Sales in automobile related services also grew encouragingly, boosting Mondial Assistance Group's reputation in Australia as a leading provider of top quality customer service solutions

Ahead of target in China
Local operations further secured the Group's base in China in 2005

with the signature of several important new roadside assistance contracts. Late in the year we also launched travel insurance, which has already generated promising early results. And of course, we continue to develop the internal and external infrastructures necessary to support these services in this vast country.

Strategic alliance in Japan
After 10 years of steady but modest growth, in November 2005 the Group signed a partnership agreement with Millea Holdings, Japan's No1 general insurance group. This partnership will give us the strength and visibility to become a leading player in Japan's large, expanding market.

South East Asia: growth for core business lines
In 2005 we reinforced our dominant position in the Thai roadside assistance sector and also achieved solid growth in travel

insurance. Operations in Singapore launched travel insurance for a regional e-commerce partner.

**THE AMERICAS
Brazil: Continued innovation drives the entity forward**
Mondial Assistance Brazil consolidated its strong growth in 2005 and confirmed its competitive position and excellent quality image in the market place. Implementation of the GPS tow-truck tracking system, started in 2004, was extended to other metropolitan regions, increasing the number of equipped tow-trucks by 76%. The entity accelerated its diversification, increasing sales in the People and Property Assistance business lines by 95% and 37% respectively. It launched a Patient Relationship Management solution for the pharmaceutical industry early in the year, while the end of 2005 saw travel assistance commercialised directly to

consumers through a dedicated, integrated e-commerce platform.
Canada : travel insurance growth and new cost containment strategy yield top performance
2005 was a year of exciting change and growth for our Canadian Business unit. The company opened the doors of its new headquarters, a state-of-the-art contact centre facility with an enhanced IT infrastructure. The custom built operations centre allowed the entity to accommodate programs for new clients. Additionally, while the business unit experienced continued success in the online travel market, it also pursued new opportunities in the retail travel and Snowbird/Long-Stay markets with a "Behind the Brand" solution, driven by partnerships with leading travel insurance brokers. To help avert costs, a new Cost Containment strategy was launched for its insured business, as well as the

Group's business, enabling an increase in PPO network coverage through a multi-network approach. The initiative has resulted in exceptional savings on large loss arbitration and an increase in overall average savings. These combined efforts led to a significant increase in turnover over 2004, making 2005 one of the company's most successful years to date.
U.S.A: New products and services lead to high client satisfaction
2005 was a record breaking year for World Access, our American business unit. Company revenues grew over 21% with new products and clients added to each business line. The Travel activity expanded with many new clients and entered three new market channels: adventure suppliers, ski resorts and timeshares; the Special Market business activity enhanced its product portfolio with event ticket protection and improved concierge

services, and multiple large world-wide accounts reinforced the Healthcare activity.

World Access completed implementation of a new client relationship management software, and now has one of the most integrated CRM and claims management systems in the Group. This state-of-the-art, web-based business application continues to yield benefits: electronic orders grew by 99%, while e-service and e-claims transactions grew by 50%. 2005 also was a record-breaking year for hurricanes in the United States. In addition to assisting effected travellers, the company's employees collected donations to help victims of Hurricane Katrina.

**EUROPE
Northern Europe**

**Knowledge transfer benefits
Belgium**

The Belgian entity significantly improved its performance and profits in 2005 thanks to new travel client wins, the introduction of a data warehouse and therefore, gains in productivity, and the completion of an almost paperless office. Benefiting from knowledge transfer within the group, Mondial Assistance Belgium analysed its portfolio of healthcare services and signed a first contract with a well-known pharmaceutical company.

**Overall strong performance in
Germany**

In partnership with a major German company, the Group's German entities successfully launched "Business Travel", a new line of travel insurance solutions for all their European employees. In addition, our German travel insurance products are now sold via 10,000 Allianz

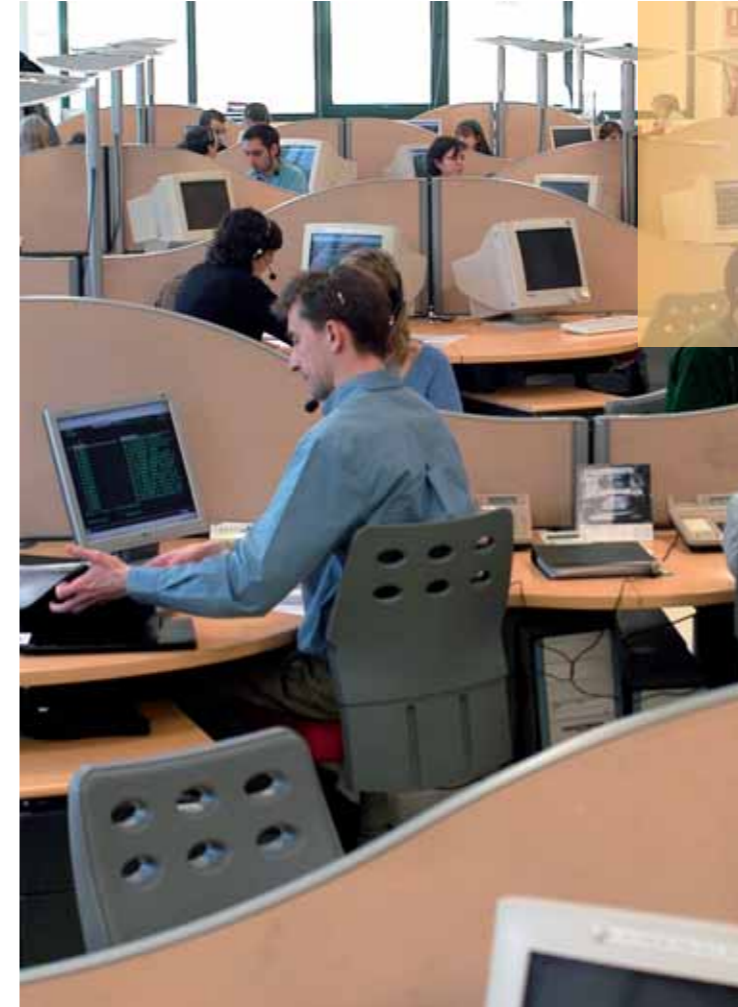
agents. Entities also reported a huge increase in sales of e-commerce solutions via direct providers including hotels, airlines and e-commerce tour operators. Profits climbed for the personal assistance activity, and the automotive business developed with an increase in manufacturers' mechanical warranties. Furthermore, the two German assistance sites merged their IT systems and introduced VoIP technology.

New IT system and value-added solutions reinforce performance in the Netherlands

In 2005, the Dutch entity developed and implemented a new web based IT system. It offers customised solutions according to client type and distribution channel, and aligns with the new client based organisation. Mondial Assistance Netherlands provided the automotive industry with a new value-added proposition, and successfully concluded new contracts with big car manufacturers, which should lead to doubling the number of cases handled in 2006. The Dutch entity also adapted its health care offer to the changing national health insurance system. Throughout the year, it was national assistance co-ordinator and had to manage several complicated road accidents involving passenger buses.

UK + Ireland: Sales climb with e-travel insurance

Several factors contributed to a successful 2005 for the UK entity. A healthy travel insurance market, especially via e-commerce, for which online ticket purchasing now integrates an insurance policy, generated a significant increase in sales. Results were further reinforced with the extension of an important contract with a major low cost airline. Despite a sluggish automotive market, UK profits in



“During numerous catastrophes, disasters and attacks in 2005, our entities demonstrated their professionalism, proactivity and their ability to network.”

A worldwide connected network

33 operations centres in 26 countries

8,100 dedicated employees

400,000 service providers speaking over 40 languages

this business line were excellent, and financial institutions have proven to be a solid distribution channel for direct sales. On another note, the company opened its first Technical Services Training Centre and features among the TOP 100 preferred UK companies to work for. Mondial Assistance's Irish BU moved to more modern offices and continued to serve the automotive market.

Central and Eastern Europe

Austria: penetrating fast growing markets

The Austrian BU successfully launched an annual travel insurance product including the full range of classic travel insurance combined with roadside assistance, a premiere for the Austrian market. The entity also built numerous new partnerships in the fast growing markets of Hungary, Slovenia, Croatia and Romania where it provides native language services for travel insurance/assistance. Furthermore,

productivity and efficiency increased via rigorous cost containment measures in assistance and provider networks, as well as via claims management.

The Prague-based BU, covering both the Czech and Slovak Republics, further strengthened its position in vehicle assistance in Slovakia via a new technical assistance service for one of the country's largest insurance companies. It established a new telemarketing call centre service for an international company representing 200,000 calls per year, and introduced new health care assistance services in joint co-operation with selected national insurers. Moreover, the entity completed the compliance process regarding new insurance laws for the Czech and Slovak Republics, following their entry into the European Union.

Poland: new offices for an expanding business

The assistance business in 2005 produced a significant increase in the number of files for Mondial Assistance Poland, which moved to new offices. The Polish entity also reinforced contracts with major financial institutions and saw an increase in its local e-commerce activity in the travel business. The company has introduced innovative health services and is a leader in this field.

New contracts secured in Russia

We continued to develop our activities in Russia with the signing of new contracts with local partners. We also introduced travel insurance products for Schengen travellers.

Switzerland: leader in core businesses

2005 saw continued growth in the automotive sector for our Swiss entity, leader in roadside assistance for automobile importers.

Mondial Assistance Switzerland also maintained its leading market position in the tourism sector, despite the industry's continued weakness. In the past year, the entity implemented a new IT system in order to better manage its insurance business.

Southern Europe

France: growth and innovation across all business lines

France registered strong growth in the automobile assistance activity in 2005 with the signing of major "0 km breakdown" assistance contracts. It also secured new client wins in the car rental sector. Elvia maintained its leading position in e-travel insurance, with on-line registration of travel insurance policies experiencing double-digit growth. This was partly due to the fact that customers may now make a claim directly via the Internet and have it electronically processed and tracked on-line. France also launched "Elvia Solution Intégrale", a unique, annual travel insurance and assistance product. The health-care business saw the introduction of several innovative products, including patient prevention programmes marketed through pharmaceutical and insurance companies. Sales in tele-assistance and tele-security continued to climb, while all entities actively prepared personal domestic services to respond to the new Borloo law. Innovations also highlighted the household sector. "Total comfort guarantee" offers home repairs for brown and white goods; the "electronic safe" provides secure storage for personal documents, and the "hello household estimate service" offers well-informed opinions on building and repair estimates. In addition, French entities launched Convergence 2006, a project which prepares the merger

of Elvia France, Mondial Assistance France, France Secours and SSC to be finalised on January 1st 2007.

Telematics make the difference in Greece

The Greek entity strengthened its leading market position by launching specifically branded patrols using telematics technology, considered a unique roadside assistance programme for Greek standards. In addition, the BU introduced a travel insurance programme, and indeed a new line of business, on the Greek market.

Italy: e-commerce booms

Mondial Assistance Italia concluded 2005 with satisfying results, despite turnover decrease. Sales in e-commerce skyrocketed to + 800%. There was a tremendous increase in B2B2C travel insurance products, including the successful launch of several B2C travel solutions, and a significant improvement in loss ratios in the travel insurance business. Mondial Assistance Italia also strengthened and developed its business relations with Allianz's Italian entities.

Healthy insurance sector in Portugal

There was overall strong growth in the insurance sector in 2005. The Group's Portuguese unit capitalised on this trend and successfully launched a new claims management service called ASA.

New contracts boost sales in Spain

In 2005, the Spanish entity launched a proximity health service developed through a franchise called Mondial Assistance Contigo. Travel revenues increased significantly due to new e-commerce contracts. New contracts also helped boost sales in the automotive business.



“The second evaluation of the Group's unique worldwide clinic and hospital network was completed in 110 countries.”

Turkey: buoyant market encourages new product launches

The Turkish entity reported healthy profits in 2005 due to successful contract extensions with a major insurance company, and improved pricing of special assistance and concierge services. In a favourable economic environment, Mondial Assistance Turkey also launched several new products on niche segments and introduced innovative new solutions for automotive companies.

Other Countries

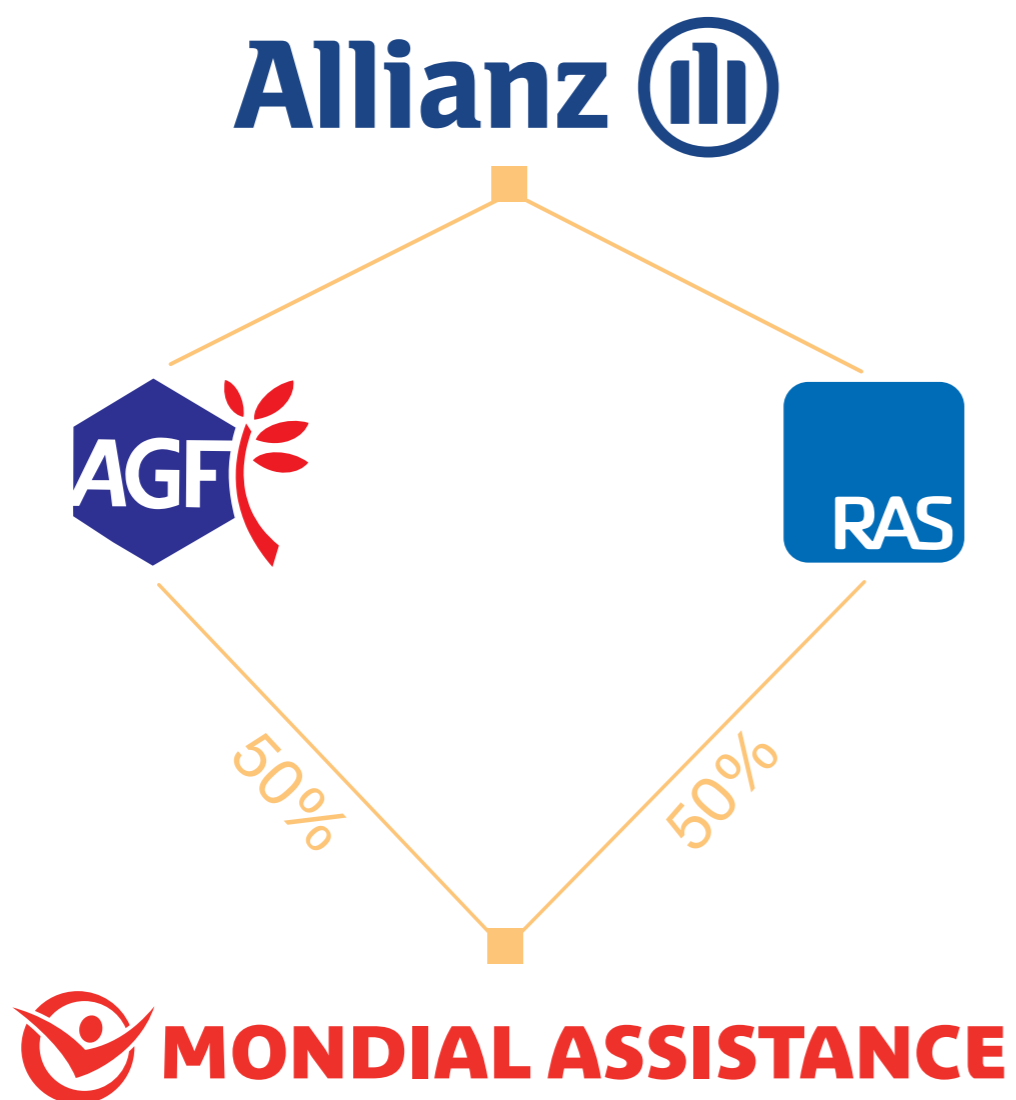
In 2005, the Group invested in IT telephony in the Reunion Island in order to meet the needs of local telecom clients. This past year also saw the continued strong sales of tele assistance products and claims management solutions for bank insurers.

In several African countries contracts were signed with AGF for travel insurance products, notably for Schengen insurance.

In the Near Middle East region, including Lebanon, Jordan and Egypt, Mondial Assistance continued to develop travel business with existing partners.

Group structure

as on December 31st, 2005



Holding ELMONDA*

Supervisory Board

Chairman: Jean-Philippe Thierry, *since January 1st, 2006*
 Detlev Bremkamp, *until December 31st, 2005*

Vice-Presidents: Detlev Bremkamp, *since January 1st, 2006*
 François Thomazeau

Members: Roland Rykart, *since January 1st, 2006*
 Thomas Pleines, *until December 31st, 2005*
 K. Walter Gutberlet

Executive Committee of the Group

President: Klaus Dührkop, *since January 1st, 2006*
 Alain Demissy, *until December 31st, 2005*

Members: Jonathan Ansell
 Karl-Heinz Jung
 Didier Lebret
 Ida Luka-Lognoné

Share capital: CHF 40,000,000

Year of legal foundation: 1999

*Renamed to Mondial Assistance AG by the shareholders since December 16th, 2005.

Review of operations for the year 2005

Annual closing December 31st, 2005
Consolidated accounts

Turnover (Premium and Service Revenue)

Mondial Assistance Group achieved +11% growth in turnover (gross written turnover, both insurance premiums and service fees), reaching 1,220.5 million euros throughout the twelve-month period ending December 31st, 2005. The more favorable market conditions within the three main lines of business - travel insurance, vehicle assistance and healthcare services - helped generate this growth.

In the European market where new vehicle sales were virtually stagnant in 2005 (+ 0.7%), the need for sophisticated automotive assistance nevertheless led to an 11% growth in turnover, primarily in Europe and Brazil. Automotive assistance represents 44% of total Group turnover.

Travel insurance sales increased by 9% to reach an overall 45% share of total turnover. This continued positive development (compared to previous years) can mostly be attributed to the strong demand for travel insurance in North America and Asia, and the enhanced

prescription of e-commerce products in North America and Europe.

The third line of business, healthcare services, continues to expand. It increased its turnover by 30% in 2005 for a current 6% of the Group's overall sales.

From a geographical perspective, sales development was particularly strong in certain markets, and all regions registered growth. Turnover increased in the Asia-Pacific region by + 43% compared to 2004, the Americas by + 29%, Europe (excluding France) by + 7% and France with a modest increase of 3%.

The fluctuation of currency exchange rates also affected the Group's turnover in 2005, resulting in a positive net increase of 16.0 million euros this year, (this was mostly due to fluctuations of the Brazilian Real, and the Australian and Canadian Dollars), compared to a hypothetical situation at constant exchange rates in 2004.

Claims and Expenses

The claims ratio (including internal claims administration costs, net of

reinsurance) in the insurance business increased slightly to 61.9% (2004: 61.6%), while claims reserves were up by 4.1% to 131.4 million euros. This development reflects the resurgence in the travel insurance activity: as travel insurance generates claims with a longer run-off period and higher average costs than assistance activities, the ratio of claims reserves to premiums, or claims paid, is thus higher in travel insurance than in assistance insurance.

Compared to 2004, Mondial Assistance Group's reported global commission ratio (gross of reinsurance) modestly increased to 17.5% (both for insurance and service activities).

Overall, operating entities maintained efficient control of expenses despite the powerful growth in turnover. Nevertheless, general expenses increased by 11.2% to 455 million euros (2004: 409 million euros) due to exceptional non-recurrent items. Although claims and commissions developed positively in an environment marked by a heavy increase in premiums, the higher expenses lead to a slightly worse combined



||| All our lines of business posted growth: +11 % in vehicle assistance, +9 % in travel insurance sales and +30 % in healthcare services. |||

ratio of 96.1% (+ 0.3 points or 95.8% compared to the previous year).

Investments and financial results

At December 31st, 2005 the group's financial investments amounted to 537.1 million euros (2004: 467.2 million euros). The relatively high amount of cash and cash equivalents (159 million euros or + 16.6% compared to the 136 million euros in 2004) is caused by the positive cash flow in 2005, and the inverse yield curve in the UK, which lead our subsidiary to invest in short-term papers.

Ordinary results of the investment income increased to 23.3 million euros (2004: 18.4 million euros) as market interest rates recovered. This increase was also due to a higher investment portfolio on fixed interest securities and short term deposits. The realised result with 3.2 million euros (previous year: loss of 11.5 million euros) returned to a normal level after an exceptional loss due to the sale of the Group's

participation in a French subsidiary in 2004. The accountancy result was marginal in 2005 as the write-up participations of a South American subsidiary boosted the 2004 write-ups' result. Unrealized gains and losses on exchange rates amounted to 3.7 million euros thanks to a re-evaluation of the U.S. and Australian dollars against the Swiss franc. In total, the described effects tripled the financial result in 2005 to 30.5 million euros (2004: 10.1 million euros).

Result before and after tax, and return on equity

Despite a higher administration expenses ratio, which included exceptional non-recurrent items, the strong increase in net earned turnover (+9.3%), and modest growing claims and commissions ratios resulted in a stable net operating result of 45.6 million euros, up 2% compared to the 44.6 million euros registered in 2004. Thanks to the higher financial result and the absence of an exceptional result

(2004: 3.2 million euros), profit before taxes attained 76.1 million euros (2004: 51.5 million euros, + 47.8%). Deducting the taxes on profits of 27.0 million euros (2004: 27.8 million euros), which returned to a normal level, profit after taxes doubled to 47.8 million euros compared to the previous year's 23.1 million euros (+ 107%).

Correspondingly, the return on equity throughout the twelve-month period ending December 31st, 2005, was substantially higher (+93%) at 16.8%, up from 8.7% in 2004.

Changes in Group structure

2005 saw several changes in the Group's structure. These include an increase or decrease in shareholder stakes, and the sale or closing of companies. Details of these operations can be found in the chapter "Notes of the consolidated financial statements", starting on page 23 of this report.

Financial statements

Consolidated Income Statement of Mondial Assistance Group for the Financial Year 2005

in thousand EUR	2005 Gross	2005 Ceded	2005 For own account	2004 Gross	2004 For own account
INSURANCE AND ASSISTANCE BUSINESS					
Total Turnover (Premiums and Service revenue)	1 220 516	13 723	1 206 793	1 099 713	1 084 562
Written premiums	991 326	13 723	977 603	900 466	885 315
Unearned premium reserve change	(45 938)	(2 150)	(43 788)	(25 422)	(21 869)
Earned premiums	945 388	11 573	933 815	875 044	863 446
Claims paid current year	(350 832)	(3 228)	(347 604)	(323 679)	(318 805)
Transferred claims administration expenses (ICHC) CY	(126 057)		(126 057)	(119 984)	(119 984)
Change in current year reserves	(100 845)	(2 208)	(98 637)	(101 275)	(93 059)
Claims incurred current year	(577 734)	(5 436)	(572 298)	(544 938)	(531 848)
Claims paid previous year	(74 141)	(1 815)	(72 326)	(64 117)	(62 186)
Transferred claims administration expenses (ICHC) PY	(13 899)		(13 899)	(7 543)	(7 543)
Change in previous year reserves	104 436	6 923	97 513	90 590	87 434
Claims incurred previous year	16 396	5 108	11 288	18 930	17 705
Other technical income / expenses	(17 291)	(427)	(16 864)	(17 940)	(17 453)
Total Claims	(578 629)	(755)	(577 874)	(543 948)	(531 596)
Commission paid (Insurance Business)	(179 012)	(1 139)	(177 873)	(164 270)	(163 306)
Insurance Margin	187 747	9 679	178 068	166 826	168 544
Service revenue			229 190		199 247
Service income deferred change			(3 205)		(1 770)
Service revenue earned			225 985		197 477
Other service income / expenses			(17 688)		(20 422)
Commission paid (Service Business)			(26 528)		(19 928)
Transferred service administration expenses (ISHC)			(119 737)		(109 172)
Service Margin			62 032		47 955
Staff costs			(289 554)		(261 934)
IT costs			(12 611)		(11 319)
Telecommunication costs			(13 762)		(13 072)
Fees for group services			(4 671)		(1 379)
Other administration costs			(133 993)		(120 936)
Transfer of ICHC and ISHC			260 083		236 699
General Expenses after Transfer			(194 508)		(171 941)
Operating Result			45 592		44 558
Financial Operations					
Income			24 611		21 093
Charges			(1 292)		(2 648)
Ordinary result			23 319		18 445
Realised gains			4 189		3 399
Realised losses			(952)		(14 933)
Realised result			3 237		(11 534)
Accounting profits and write-ups			322		6 088
Accounting losses and write-offs			(122)		(17)
Accountancy result			200		6 071
Exchange rate fluctuation gains			12 316		22 748
Exchange rate fluctuation losses			(8 626)		(25 628)
Exchange rate result			3 690		(2 880)
Financial Result			30 446		10 102
Depreciation on intangible assets			62		(3 343)
Other income			0		136
Other expenses			0		(2)
Result before Tax			76 100		51 451
Taxes			(27 013)		(27 847)
Result after Tax			49 087		23 604
Minority interest in the results			(1 314)		(483)
Group Result			47 773		23 121

Consolidated Balance Sheet of Mondial Assistance Group on December 31st, 2005

in thousand EUR	2005	2004
ASSETS		
Outstanding contribution on capital	0	245
Goodwill	15 812	14 851
Other intangible assets	22 957	17 142
Intangible assets	38 769	32 238
Land and buildings	8 135	7 914
Other tangible assets	40 584	38 061
Tangible assets	48 989	45 975
Shares	22	20
Fixed-interest securities	451 791	400 685
Other Investments	67 367	60 247
Securities - available for sale	519 180	460 952
Participations	700	2 722
Mortgages	111	121
Loans	17 065	3 411
Mortgages and loans	17 176	3 532
Investments	537 056	467 206
Accounts receivable - direct business	66 826	70 036
Accounts receivable - indirect business	50 050	38 458
Accounts receivable from associated companies - current accounts	5 491	5 348
Other accounts receivable	128 055	115 049
Accounts receivable	250 422	228 891
Deferred acquisition costs	25 494	20 286
Cash and cash equivalents	158 512	135 859
Reinsurance deposit	24 439	20 983
Other deposits	4 658	1 677
Other assets	29 097	22 660
Accrued interest	8 674	7 307
Other (prepayments and accrued income)	22 579	23 422
Accruals & prepayments	31 253	30 729
Deferred taxes - assets	27 479	22 802
Total assets	1 147 071	1 006 646
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	25 509	25 509
Additional paid in capital	30 633	30 633
Other reserves	198 751	189 864
Retained earnings	(1 714)	(1 094)
Net profit for the financial year	47 773	23 121
Shareholders' equity	300 952	268 033
Minority interest in shareholders' equity	5 667	4 243
Unearned premium reserves	343 602	295 369
Claim reserves	131 441	126 259
Other technical provisions	39 863	35 647
Technical provisions	514 906	457 275
Personnel provisions and similar liabilities	38 251	27 671
Provision for income taxes	16 852	15 660
Other non-technical provisions	23 626	11 955
Non-technical provisions	78 729	55 286
Deposits received from reinsurers	2 463	2 163
Loans	4 134	7 228
Liabilities - direct business	11 297	9 554
Liabilities - indirect business	9 012	6 435
Liabilities to associated companies - current accounts	1 892	1 829
Other liabilities	169 409	147 318
Deferred income and deferred service income	27 363	25 765
Other liabilities	225 570	200 292
Deferred taxes - liabilities	21 247	21 517
Total liabilities	846 119	738 613
Total shareholder's equity and liabilities	1 147 071	1 006 646

Cash Flow Statement of Mondial Assistance Group for the Financial Year 2005

in thousand EUR	2005	2004
Net result of the period	47 773	23 121
Change in unearned premiums reserve	50 615	32 614
Change in claims and claim handling costs	5 181	15 046
Change in other technical reserves	4 218	1 094
Change in deferred acquisition costs	-5 209	-596
Change in deposits held by others under reinsurance business assumed	-3 456	-2 116
Change in deposits held under reinsurance business ceded	300	-111
Change in accounts receivable / payable on reinsurance business	-9 015	-4 086
Change in loans and advances to banks and customers	-13 644	603
Change in liabilities to banks and customers	4 972	477
Change in other receivables and liabilities	29 337	-37 783
Change in deferred tax assets / liabilities	-4 477	-2 501
Adjustment for investment income/expenses not involving movements of cash	0	0
Adjustments to reconcile amortization of goodwill	-17 091	2 577
Depreciations	4 015	10 370
Other	-2 675	-1 938
Cash flow from operating activities	90 844	36 771
Change in securities available for sale*	-59 333	-45 082
Change in real estate	-282	3 018
Change in other investments	4	254
Change in cash and cash equivalents from the acquisition of cons. affiliated companies	2 022	34
Other	2 072	-11 059
Cash flow from investing activities	-55 517	-52 835
Cash inflow from capital increases	245	51
Dividend payouts	-16 551	-19 946
Other from shareholder equity and minority interests	3 632	-1 365
Cash flow from financing activities	-12 674	-21 260
Change in cash and cash equivalents	22 653	-37 324
Cash and cash equivalents at beginning of period	135 859	173 183
Cash and cash equivalents at end of period	158 512	135 859

* including unreal. loss/gain reserves on investments available for sale

Notes to the consolidated financial statements of Mondial Assistance Group

Consolidation scope

The consolidated financial statements of Mondial Assistance Group comprise the annual accounts of Elmonda and subsidiaries, which are prepared in accordance with the accounting and valuation principles of the Mondial Assistance Group. Consolidated subsidiaries are listed further in the notes to the consolidated financial statements.

The stake in ISAAF Mondial Assistance, Morocco, has been further reduced in 2005. In Luxembourg, the operation of Sacnas RE has been closed down and was liquidated. In Chile, Compania de Asistencia Sudamericana S.A. and CAS Brokers S.A. were sold on November 18th, 2005. Mondial Assistance Germany GmbH, Munich increased its interest in Rehacare GmbH, Munich to a majority participation.

Consolidation principles

Subsidiaries have been recorded according to the full consolidation method when subject to the majority control of the Mondial Assistance Group.

All intra-group transactions and balances have been eliminated.

Interests in joint ventures are recognised by including the

accounts using the proportionate consolidation basis, i.e. by including in the accounts under the appropriate financial statement headings the Group's proportion of the joint venture revenues, costs, assets and liabilities.

Equity investments in which the Mondial Assistance Group owns at least 20% of the voting rights are accounted for using the equity method, except for investments in which the Mondial Assistance Group is not able to exercise significant influence, in which case, the cost method is used. Investments in which the company owns less than 20 %, are accounted for under the cost method.

The equity and net income attributable to minority shareholders' interests are disclosed separately in the balance sheet and income statement respectively.

The purchase method of accounting is used for acquired businesses. Companies acquired or disposed of during the year are included in the consolidated financial statements from the date of acquisition or to the date of disposal respectively.

Foreign currency translation

The Group's reporting currency is the Euro (€). The functional

Exchange rates of principal currencies

(against 1 euro)	2005	2004
	Balance Sheet year end rate	
Australia (AUD)	1.6109	1.7489
Japan (JPY)	138.9000	139.8300
Brazil (BRL)	2.7515	3.6206
United Kingdom (GBP)	0.6853	0.7071
Switzerland (CHF)	1.5551	1.5437
USA (USD)	1.1797	1.3640

(against 1 euro)	2005	2004
	Income Statement average rate	
Australia (AUD)	1.6322	1.6904
Japan (JPY)	136.8628	134.4559
Brazil (BRL)	2.8979	3.6279
United Kingdom (GBP)	0.6839	0.6787
Switzerland (CHF)	1.5482	1.5660
USA (USD)	1.2443	1.2438



currency for each Group company is the currency of the environment where the enterprise carries on its activities. Assets and liabilities are translated at the closing rate on the balance sheet date and expenses and income are translated at the annual average rate from the functional currency into the reporting currency. Translation differences between the functional currency and reporting currency, including those arising in the process of equity consolidation, are taken to shareholders' equity without affecting earnings. Translation differences between the transaction currency and functional currency are reported in earnings.

Accounting and valuation policies Balance Sheet

Intangible assets

Intangible assets include Goodwill and other intangible assets such as exclusivity fees and software

purchased from others or developed in-house. Goodwill represents the difference between the purchase price of subsidiaries and the proportionate share of their net assets valued at the current value of all assets and liabilities at the time of acquisition. Goodwill is recognised as an asset in the balance sheet and is not amortised.

The Mondial Assistance Group periodically evaluates the recoverability of Goodwill and takes into account events or circumstances that warrant revised estimates of useful lives or that indicate the existence of an impairment. Impairment testing for goodwill is carried out at least annually, at the end of the year and at each reporting date, whenever there is an indication that an asset may be impaired. The impairment is recognized through the income statement and the reversal of an

impairment loss is prohibited. Intangible assets are measured initially at cost and are recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the Group, and the cost of the asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets are amortised using the straight-line method over their estimated period of benefit with a maximum of 5 years.

Tangible assets

Tangible assets include property and other tangible assets such as equipment.

Property used for its own use and equipment is stated at cost and depreciated using the straight-line method over the shorter of the estimated life of the asset or the lease term. Land is not depreciated. Buildings are depreciated over 50 years, while other tangible assets included under the heading "Other assets" over a period of their estimated useful life at the date of purchase.

The Group recognises finance leases as assets and liabilities in the balance sheets at amounts equal at the inception of the lease to the fair value of the leased property. Initial direct costs incurred are included as part of the asset. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

A finance lease gives rise to depreciation expense for the asset as well as a finance expense for each accounting period. The depreciation policy for leased assets is consistent with that for other depreciable assets.

Investments

Investments include securities available for sale, participations, mortgages and loans.

Securities available for sale are accounted for at fair value. Positive and negative differences between market value and cost or amortised cost are included in a separate component of shareholders' equity, net of deferred tax. Realised gains and losses are principally determined by applying the average cost method.

Accounts receivable

The accounts receivable are carried at nominal value less any necessary value adjustment.

Deferred acquisition costs

Deferred acquisition costs, which are incurred in connection with the acquisition or renewal of insurance policies, are capitalised and amortised through the income statement over the term of the policies.

Cash and cash equivalents

This item includes balances with banks payable on demand, cash on hand and bank deposits with a maturity of three months or less at the date of purchase. The carrying amount of cash with banks and cash on hand corresponds to the fair value. Cash funds are stated at their face value, with holdings of foreign notes and coins valued at year-end closing.

Deferred tax

The calculation of deferred tax is based on temporary differences between the carrying amounts of assets or liabilities in the published balance sheet and their tax basis, and on differences arising from the application of uniform valuation policies for consolidation purposes. The tax rates used for the calculation of deferred taxes are the local rates applicable in the countries concerned. Anticipated changes are already taken into account as at balance sheet date.

Impairment of assets

All assets are reviewed regularly to ensure that no further value adjustments are required. Valuation write-downs are charged to the income statement if any permanent diminution in value is identified. Write-downs are based on the relevant estimated recoverable amounts.

Accounting for operating leases

Accounting for equipment and vehicles under operating leases, whereby the risks and benefits relating to ownership of the assets remain with the lessor, are not recorded in the balance sheet and all related expenses are accounted for in the income statement in the period they arise.

Technical provisions

Technical provisions include unearned premium reserves, claim reserves and other technical provisions.

Premiums written attributable to future periods are deferred under unearned premium reserves on a pro-rata basis, over the period of the contract on a daily basis. Claim reserves are assessed according to local regulatory requirements, on a case by case basis and are supplemented by IBNR reserves (reserves

for claims Incurred But Not Reported) based on management and statistical estimates.

Non-technical provisions

These include personnel provisions and similar liabilities, provision for income taxes and other non-technical provisions.

Pension and similar reserves are calculated taking local circumstances into account as well as expected future trends in salaries and wages, retirement rates and pension increases.

Defined benefit plans are recognised under IAS 19, using the method of accruing actuarial gains and losses through income.

Provision for income taxes are calculated in accordance with the relevant local tax regulations.

Other liabilities

Other liabilities include deposits received from reinsurers, loans, liabilities direct/indirect business, liabilities with associated companies (current accounts), deferred income, deferred service income and other liabilities.

Income statement

Turnover

Turnover includes insurance premiums and service revenue.

Premiums earned

Premiums written for travel insurance are reported proportionately as income over the term of the insurance contract on a daily basis.

Claims and service administration expenses (IHC / ISHC)

Claims and service handling costs are assessed according to business management criteria and reported under claims incurred and service administration expenses.

Ordinary result

Interest income and interest expense are recognised on an accrual basis. Dividends are recognised as income when received.

Interest on finance leases is recognised as interest expense over the term of the respective lease.

Income taxes

Income tax expense includes current income taxes and deferred income taxes.

Explanation of the accounting and valuation policies differing from Swiss law

The most important differences are summarised below.

Investments available for sale (afs investments)

Investments available for sale are shown in the balance sheet at market value with the unrealised gains / losses being included under other reserves in shareholders equity.

Claim equalisation reserves

Claim equalisation reserves and catastrophe reserves are not allowed under Mondial Assistance Group accounting policies because they do not represent a present obligation toward third parties.

Claims reserves

Claims reserves tend to be somewhat lower under Mondial Assistance Group accounting policies because they are not calculated in accordance with the prudence concept but at the best estimate of the ultimate cost.

Acquisition costs

Under Mondial Assistance Group accounting policies acquisition costs are capitalised and amortised over the term of policy.

Goodwill

Goodwill with an indefinite useful life is not amortised under Mondial Assistance Group accounting policies. Impairment testing for goodwill is carried out at least annually and if an impairment is applicable, it is recognised through the income.

Notes to the consolidated financial statements

Valuation reserve securities

in thousand EUR	2005	2004
Fixed-income securities and other investments		
Cost	511 099	452 391
Fair value	519 158	460 931
Revaluation reserve	8 059	8 540
Shares		
Cost	17	16
Fair value	22	20
Revaluation reserve	5	4

Intangible and tangible assets

in thousand EUR	intangible assets	tangible assets	real estate	Total
Balance value on December 31st, 2004	31 993	38 061	7 914	77 968
Exchange rate change	2 346	1 613	0	3 959
Additions	11 556	23 320	0	34 876
Change scope of consolidation	2 735	422	0	3 157
Disposals	-3 235	-19 931	0	-23 166
Depreciations	-6 626	-2 631	221	-9 036
Balance value on December 31st, 2005	38 769	40 854	8 135	87 758

Real Estate

The capitalised cost of buildings is calculated on the basis of acquisition cost and depreciation over a maximum of 50 years in accordance with the useful life of the real estate. The gross capitalised values totalled 18.357 million Euros at the beginning of the year and 18.639 million Euros at the end of the year. Accumulated depreciation amounted to 10.443 million Euros at the beginning of the year and 10.504 million Euros at the end of the year. No unscheduled depreciation was recorded in 2005.

Tangible Assets

Tangible assets such as equipment, vehicles and hardware are depreciated over 3 to 10 years according to their useful lives. The gross capitalised values totalled 109.041 million Euros at the beginning of the year and 112.995 million Euros at the end of the year. Accumulated depreciation amounted to 70.981 million Euros at the beginning of the year and 72.141 million Euros at the end of the year. Expenditures to restore the future economic benefits from the assets are capitalised if they extend the useful life of the asset, otherwise they are recognised as an expense.

Notes to the consolidated financial statements

Changes in the consolidated shareholders' equity

in thousand EUR	2005	2004
Shareholders' equity on January 1st	268 033	263 653
Exchange rate differences	2 982	850
Net profit for the financial year	47 773	23 121
Unrealised gains on afs investments	(561)	1 959
Unrealised losses on afs investments	(196)	1 138
Dividends to shareholders	(16 752)	(20 432)
Others	(327)	(2 256)
Shareholders' equity on December 31st	300 952	268 033

Disclosures of Article 663 a/b CO, supplemented by voluntary information

in thousand EUR if not otherwise indicated	2005	2004
1. Contingent liabilities	57 972	48 335
2. Assets pledged as security for own obligations	129	129
3. Leasing obligations	78 618	98 329
4. Fire insurance value for tangible assets	85 932	76 400
5. Elvia Reiseversicherungs-Gesellschaft AG, Zurich and Elmonda belong to the the Allianz Suisse Insurance value added tax group and are therefore jointly and severably liable for all value added tax liabilities of the value added tax group to the Swiss Federal Tax Administration.		

6. Participations with at least 20% of voting rights or capital share

		2005	2004
EUROPE			
Austria			
ELVIA Assistance GmbH, Vienna	Share capital in ATS	15 000 000	15 000 000
Purpose: Assistance and services	Share	100%	100%
Belgium			
Société Belge d'Assistance Internationale S.A., Bruxelles	Share capital in EUR	7 709 000	7 709 000
Purpose: Insurance	Share	94.10%	94.10%
Société Belge de Services Téléphoniques S.A., Bruxelles	Share capital in EUR	74 400	74 400
Purpose: Services	Share	94.39%	94.39%
Czech Republic			
ELVIA Assistance s.r.o., Prague	Share capital in CZK	30 000 000	30 000 000
Purpose: Services	Share	100%	100%
France			
Mondial Assistance Réunion S.A., Saint Denis (Reunion Island)	Share capital in EUR	329 008	329 008
Purpose: Services	Share	99.86%	99.86%
Gestion de Télésecrétariat et de Services S.A., Chatillon	Share capital in EUR	720 000	720 000
Purpose: Services	Share	99.86%	99.86%
France Secours International Assistance S.A., Bagnolet	Share capital in EUR	2 745 000	2 745 000
Purpose: Services	Share	90.98%	90.98%
FS2A S.A., Paris	Share capital in EUR	10 775 000	37 000
Purpose: Insurance	Share	90.98%	90.97%
Mondial Assistance France S.A., Paris	Share capital in EUR	7 916 400	7 916 400
Purpose: Services	Share	93.24%	93.24%
Fragonard Assurance S.A., Paris	Share capital in EUR	25 037 000	37 000
Purpose: Insurance	Share	93.24%	93.23%
Mondial Assistance S.A.S, Paris	Share capital in EUR	20 088 900	20 088 900
Purpose: Holding	Share	99.99%	99.99%
SACNAS International S.A., Paris	Share capital in EUR	7 959 936	7 959 936
Purpose: Holding	Share	99.88%	99.88%
SAGE S.A., Chatillon	Share capital in EUR	22 500	22 500
Purpose: Services	Share	99.86%	99.86%
Société Européenne de Protection et de Services d'Assistance à Domicile S.A., Paris	Share capital in EUR	174 750	174 750
Purpose: Security and others	Share	55.94%	55.94%
Société de Services Communs, Paris	Share capital in EUR	221 067	221 067
Purpose: Services	Share	95.14%	95.14%

		2005	2004
Germany			
Mondial Assistance Deutschland GmbH, Munich	Share capital in EUR	50 000	50 000
Purpose: Services	Share	49.94%	49.94%
REHACARE GmbH, Munich	Share capital in EUR	128 000	128 000
Purpose: Services	Share	37.40%	24.97%
Great Britain			
MONDIAL Assistance United Kingdom Ltd, Croydon Surrey	Share capital in GBP	1 360 940	1 360 940
Purpose: Assistance and services	Share	99.88%	99.88%
World Access Europe Ltd, London	Share capital in GBP	100	100
Purpose: Assistance and services	Share	99.88%	100%
Greece			
POLY - Assistance & Services A.E., Athens	Share capital in EUR	60 000	60 000
Purpose: Assistance and services	Share	50.94%	50.94%
Hungary			
ELVIA Assistance Kft., Budapest	Share capital in HUF	3 000 000	3 000 000
Purpose: Services	Share	100%	100%
Ireland			
Assistance and Services Corporation of Ireland Ltd, Dublin	Share capital in EUR	146 050	146 050
Purpose: Services	Share	99.88%	99.88%
Italy			
Mondial Service Italia S.r.l., Milan	Share capital in EUR	98 000	98 000
Purpose: Services	Share	100%	100%
Mondial Assistance Italia S.p.A., Milan	Share capital in EUR	6 708 000	6 708 000
Purpose: Insurance and reinsurance	Share	100%	100%
Permatel S.r.l., Rome	Share capital in EUR	95 000	95 000
Purpose: Services	Share	100%	100%
Luxembourg			
SACNAS Re, Luxembourg	Share capital in EUR		5 049 000
Purpose: Reinsurance	Share		99.99%
The Netherlands			
Mondial Assistance B.V., Amsterdam	Share capital in EUR	454 000	454 000
Purpose: Reinsurance and services	Share	100%	100%
ELVIA Travel Insurance International N.V., Amsterdam	Share capital in EUR	15 999 868	15 999 868
Purpose: Insurance	Share	100%	100%
Poland			
ELVIA Assistance Sp.z o.o., Warsaw	Share capital in PLN	3 800 000	3 800 000
Purpose: Services	Share	100%	100%
Portugal			
Mondial Assistance Portugal Servicos de Assistancia LDA, Lisbon	Share capital in EUR	150 000	150 000
Purpose: Services	Share	100%	100%
Spain			
ELVIASeg S.A., Madrid	Share capital in EUR	4 209 782	4 209 782
Purpose: Assistance and Insurance	Share	100%	100%
Sociedad Mundial de Asistencia S.A., Madrid	Share capital in EUR	210 350	210 350
Purpose: Services	Share	99.91%	99.91%
Switzerland			
ELVIA Reiseversicherungs-Gesellschaft AG, Zurich	Share capital in CHF	25 000 000	25 000 000
Purpose: Insurance and assistance	Share	100%	100%
Turkey			
SAT S.A., Istanbul	Share capital in YL	206 785	206 785 000 000
Purpose: Services	Share	95.88%	95.88%
AFRICA			
Mauritius Island			
Mascareignes Services Assistance Ltd, Port Louis	Share capital in MUR	1 103 000	1 103 000
Purpose: Services	Share	99.99%	99.99%
Morocco			
ISAAF Mondial Assistance S.A., Casablanca	Share capital in MAD	50 000 000	50 000 000
Purpose: Insurance and assistance	Share	3.28%	41.22%

ASIA PACIFIC

		2005	2004
Australia			
Mondial Assistance Australia Holding (Pty) Ltd, Toowong	Share capital in AUD	11 000 000	11 000 000
Purpose: Holding	Share	100%	100%
ETI Australia (Pty) Ltd, Toowong	Share capital in AUD	11 000 000	11 000 000
Purpose: Services	Share	100%	100%
China			
Mondial Assistance Beijing Services Co. Ltd., Beijing	Share capital in EUR	1 780 000	480 000
Purpose: Services	Share	99.99%	99.99%
Japan			
AS24 NIJUYON K.K., Tokyo	Share capital in JPY	75 000 000	75 000 000
Purpose: Services	Share	99.88%	89.89%
Singapore			
World Access Asia (PTE) Ltd, Singapore	Share capital in SGD	2 050 000	2 050 000
Purpose: Assistance and services	Share	100%	100%
Thailand			
Mondial Assistance (Thailand) CO Ltd., Bangkok	Share capital in THB	20 408 200	20 408 200
Purpose: Services	Share	44.10%	44.10%
NORTH AMERICA			
Canada			
World Access Canada Inc., Waterloo	Share capital in CAD	1 394 484	1 394 484
Purpose: Assistance and services	Share	100%	100%
World Access Insurance Broker Ltd, Waterloo	Share capital in CAD	1	1
Purpose: Insurance broker	Share	47.37%	47.37%
USA			
Travel Care Inc., Miami Beach	Share capital in USD	25 000	25 000
Purpose: Assistance and travel agency	Share	100%	100%
World Access Inc., Richmond	Share capital in USD	74	74
Purpose: Holding	Share	100%	100%
World Access Healthcare Services Inc., Richmond	Share capital in USD	2 500	2 500
Purpose: Assistance and services	Share	100%	100%
World Access Service Corp., Richmond	Share capital in USD	5 000	5 000
Purpose: Assistance and insurance agency	Share	100%	100%
SOUTH AMERICA			
Argentina			
Mercosul Assistance Argentine S.A., Buenos Aires	Share capital in ARS	212 000	212 000
Purpose: Services	Share	99.99%	99.99%
Brazil			
Mercosul Assistance Participacoes Ltda, Sao Bernardo do Campo	Share capital in BRL	7 641 918	7 641 918
Purpose: Services	Share	99.99%	99.99%
Chile			
CAS Brokers S.A., Santiago	Share capital in CLP		5 000 000
Purpose: Services	Share		99.94%
Compania de Asistencia Sudamericana S.A., Santiago	Share capital in CLP		788 840 810
Purpose: Services	Share		99.96%

7. Shareholders with more than 5% votes			
RAS International N.V., Amsterdam	Share	50%	50%
AGF Holding S.A., Paris	Share	29.8%	29.8%
AGF Iart S.A., Paris	Share	10.1%	10.1%
AGF Vie S.A., Paris	Share	10.1%	10.1%

8. Accounts receivable and payable with associated companies in thousand EUR:			
Accounts receivable from insurance business		11 917	13 334
Deposit retained on reinsurance assumed		21 798	19 020
Accounts receivable for services		4 027	2 081
Other accounts receivable		3 566	1 536
Liabilities from insurance business		12 340	2 042
Deposit retained on reinsurance ceded		936	936
Rendering of service debts		793	157
Other liabilities		928	1 013

Report of the Group Auditors to the General Meeting of

Elmonda* (Mondial Assistance Group), Wallisellen

Report of the Group Auditors to the General Meeting of Elmonda (Mondial Assistance Group), Wallisellen

As Group auditors, we have audited the consolidated financial statements rendered on pages 20 to 31 (income statement, balance sheet, cash flow statement and notes) of Elmonda (Mondial Assistance Group) for the year ended December 31st, 2005.

These consolidated financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements comply with the consolidation and valuation principles as set out in the notes and Swiss law.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG Fides Peat



Ian Sutcliffe
Chartered Accountant
Auditor in Charge



ppa Tanja Utesch
Chartered Accountant (SA)

Zurich, March 14th, 2006

*Renamed to Mondial Assistance AG by the shareholders since December 16th, 2005.

Financial statements of Elmonda

Income Statement of Elmonda for the Financial Year 2005

in thousand CHF	2005	2004
Financial Income	45 968	28 874
General expenses	(3 528)	(4 251)
Profit for the financial year before taxes	42 440	24 623
Taxes	1	(31)
Profit for the financial year	42 441	24 592

Balance Sheet of Elmonda on December 31st, 2005

in thousand CHF	2005	2004
ASSETS		
Fixed assets		
Other intangible assets	706	0
Participations	398 511	398 511
Loans	5 991	5 972
Total fixed assets	405 208	404 483
Current assets		
Cash and cash equivalents	23 634	700
Fixed-income securities	0	14 511
Receivables	13 484	5 816
Accrued income	214	0
Total current assets	37 332	21 027
Total assets	442 540	425 510
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Accruals and deferred income	267	775
Other liabilities	1 855	857
Total liabilities	2 122	1 632
Shareholders' equity		
Share capital	40 000	40 000
Additional paid-in capital	357 000	357 000
Legal reserve	977	977
Retained earnings	0	1 309
Net profit for the financial year	42 441	24 592
Total shareholders' equity	440 418	423 878
Total liabilities and shareholders' equity	442 540	425 510

Notes to the financial statements of Elmonda

Disclosures under Art. 663b CO, supplemented by voluntary information

in thousand CHF (if not otherwise indicated)		2005	2004
1. Participations with at least 20% of voting rights or capital share:			
Elvia Reiseversicherungs-Gesellschaft AG, Zurich	Share capital	25 000	25 000
Purpose: Insurance and assistance	Share	100%	100%
Mondial Assistance S.A.S, Paris	Share capital in thousand EUR	20 089	20 089
Purpose: Holding	Share	99.99%	99.99%
2. Long-term liabilities over 3 years		-	-
3. Loans to associated companies		5 991	5 972
4. Accounts receivable and payable with associated companies			
Other accounts receivable		6 575	3 276
Other liabilities		873	556
5. Elmonda belongs to the Allianz Suisse Insurance value added tax group and is therefore jointly and severably liable for all value added tax liabilities of the value added tax group to the Swiss Federal Tax Administration.			

Proposal for the distribution of profits

in thousand CHF		2005	2004
Net profit for the financial year		42 441	24 592
Foreign Exchange rate difference on dividends		-	-
Balance at the beginning of the year		0	1 309
Available profit		42 441	25 901
It is proposed to the Annual General Meeting to allocate this profit as follows:			
Proposal for dividend distribution		38 781	25 901
Allocation to the legal reserves		-	-
Allocation to the special reserves		-	-
Balance carried forward		3 660	0
Available profit		42 441	25 901

Report of the Statutory Auditors to the General Meeting of

Elmonda*, Wallisellen

Report of the Statutory Auditors to the General Meeting of Elmonda, Wallisellen

As statutory auditors, we have audited the accounting records and the financial statements rendered on pages 33 and 34 (income statement, balance sheet and notes) of Elmonda for the year ended December 31st, 2005.

These financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free of material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements and the proposed appropriation of available earnings comply with Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

KPMG Fides Peat



Ian Sutcliffe
Chartered Accountant
Auditor in Charge



ppa Tanja Utesch
Chartered Accountant (SA)

Zurich, March 14th, 2006

*Renamed to Mondial Assistance AG by the shareholders since December 16th, 2005.

Business years 2003 - 2005

MONDIAL ASSISTANCE GROUP

Income Statement

In million EUR	2005	2004	2003
Income Statement			
Total Turnover (Premiums and Service revenue)	1 220.5	1 099.7	995.5
Net earned premiums and service income	1 159.8	1 060.9	962.3
Claims	(577.9)	(531.6)	(496.6)
Costs	(536.3)	(484.8)	(441.5)
Operating result	45.6	44.6	24.2
Financial result 1)	30.4	10.1	16.9
Reallocation of technical interest			
Other income/expenses and depreciation on intangible assets	0.1	(3.2)	(3.9)
Result before Tax	76.1	51.5	37.2
Taxes	(27.0)	(27.8)	(20.4)
Result after Tax	49.1	23.6	16.8
Minority interest in the results	(1.3)	(0.5)	(1.2)
Group result	47.8	23.1	15.6

Balance Sheet

ASSETS	2005	2004	2003
Investments	537.1	467.2	418.6
Cash and cash equivalents	158.5	135.9	173.2
Accounts receivable	250.4	228.9	228.6
Total remaining assets	201.1	174.6	173.4
Total assets	1 147.1	1 006.6	993.8
SHAREHOLDERS' EQUITY AND LIABILITIES	2005	2004	2003
Shareholders' equity	301.0	268.0	263.7
Technical provisions	514.9	457.3	410.9
Other liabilities	331.2	281.3	319.2
Total shareholders' equity and liabilities	1 147.1	1 006.6	993.8

Key Figures

	2005	2004	2003
Return on equity	16.8%	8.7%	6.0%
Return on earned premiums and service income (before taxes)	6.6%	4.8%	3.9%
Combined ratio 2)	96.1%	95.8%	97.5%
Growth earned premiums and service income	9.3%	10.2%	3.0%

1) The financial result includes ordinary, realised, accounting and exchange rate gains.

2) Claims and all costs as a percentage of net earned premiums and service income.

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Mondial Assistance Group would like to thank all its staff for the kind contribution to this annual report.