

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): April 22, 2005

ALLEGHANY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

1-9371

51-0283071

(State or other jurisdiction of incorporation)

(Commission File Number)

(IRS Employer Identification No.)

375 Park Avenue, Suite 3201

New York, New York

10152

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (212) 752-1356

Item 2.02 Results of Operations and Financial Condition.

On April 22, 2005, Alleghany Corporation issued a press release on the subject of its 2005 first quarter consolidated earnings. A copy of such release is furnished herewith as Exhibit 99.1. The information hereunder shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into a filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

99.1	2005 First Quarter Earnings Release, dated April 22, 2005
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Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALLEGHANY CORPORATION

/s/ Peter R. Sismondo

By: Peter R. Sismondo
Vice President,
Controller,
Treasurer and Assistant
Secretary

Date: April 22, 2005

Index to Exhibits

Exhibit Number

Exhibit Description

99.1

2005 First Quarter Earnings Release, dated
April 22, 2005

NEW YORK, NY, April 22, 2005 -- Net earnings from continuing operations of Alleghany Corporation (NYSE-Y) in the first quarter of 2005 were \$60.9 million, or \$7.72 per share (per share information throughout is presented on a diluted basis), compared with \$60.7 million, or \$7.75 per share, in the first quarter of 2004, Weston M. Hicks, President and chief executive officer of Alleghany, announced today. Alleghany common stockholders' equity per share at March 31, 2005 was \$231.80, an increase of 2.3% from common stockholders' equity per share of \$226.50 as of December 31, 2004 (as adjusted for the stock dividend declared in March 2005). On a consolidated basis, cash and invested assets were approximately \$2.6 billion at March 31, 2005, an increase of 4.8% from approximately \$2.5 billion at December 31, 2004.

Alleghany had net catastrophe losses after tax of \$5.4 million, or \$0.68 per share, in the 2005 first quarter, compared with \$0.3 million, or \$0.04 per share in the corresponding 2004 period. In the first quarter of 2005, net gains on investment transactions after tax were \$30.7 million, or \$3.89 per share, compared with \$21.6 million, or \$2.75 per share, in the 2004 first quarter. First quarter 2005 net earnings from continuing operations adjusted to exclude net catastrophe losses after tax and net gains on investment transactions after tax were \$35.6 million, or \$4.51 per share, compared with \$39.4 million, or \$5.04 per share, in the corresponding 2004 period.

(in millions, except for per share and share amounts)	<u>Three Months Ended March 31,</u>			
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
			<u>Per Share(1)</u>	
Net earnings from continuing operations	\$60.9	\$ 60.7	\$7.72	\$ 7.75
<i>Adjustments:</i>				
<i>Add:</i> Net catastrophe losses after tax	5.4	0.3	0.68	0.04
<i>Deduct:</i> Net gains on investment transactions after tax	<u>(30.7)</u>	<u>(21.6)</u>	<u>(3.89)</u>	<u>(2.75)</u>
Net earnings from continuing operations, as adjusted (2)	\$35.6	\$39.4	\$4.51	\$5.04
Average number of outstanding shares of common stock (3)			7,896,309	7,835,784

- (1) Represents diluted earnings per share of common stock and includes the impact on net earnings resulting from the inclusion of dilutive securities under the "if-converted method".
- (2) Adjusted to exclude net catastrophe losses after tax and net gains on investment transactions after tax.
- (3) Adjusted to reflect the dividend of common stock declared in March 2005.

2005 first quarter net earnings were \$60.9 million, or \$7.72 per share, compared with \$62.1 million, or \$7.92 per share, in the corresponding 2004 period. 2005 first quarter pre-tax earnings from continuing operations were \$93.8 million, compared with \$93.5 million in the 2004 first quarter. Discontinued operations consist of the operations of Heads & Threads International LLC prior to its disposition in December 2004.

The comparative contributions to earnings from continuing operations before taxes made by Alleghany's operating units Alleghany Insurance Holdings LLC ("AIHL," a holding company for Alleghany's property and casualty insurance businesses consisting of RSUI Group, Inc. ("RSUI"), Capitol Transamerica Corporation ("CATA") and Darwin Professional Underwriters, Inc. ("Darwin")), and World Minerals, Inc. (industrial minerals business), as well as by corporate activities (consisting of Alleghany Properties LLC and corporate activities at the parent level), were as follows (in millions):

	Three Months Ended March 31	
	<u>2005</u>	<u>2004</u>
AIHL	\$77.2	\$90.6
World Minerals	1.5	5.3
Corporate activities	<u>15.1</u>	<u>(2.4)</u>
Total	<u>\$93.8</u>	<u>\$ 93.5</u>

AIHL recorded pre-tax earnings of \$77.2 million on revenues of \$253.0 million in the 2005 first quarter, compared with pre-tax earnings of \$90.6 million on revenues of \$231.4 million in the first quarter of 2004. AIHL's 2005 first quarter pre-tax earnings include investment income before tax of \$14.2 million and net gains on investment transactions before tax of \$25.2 million, compared with \$10.3 million and \$31.4 million, respectively, in the corresponding 2004 period.

The comparative pre-tax contributions to AIHL's results made by its operating units RSUI, CATA and Darwin were as follows (in millions, except ratios):

Three Months Ended March 31,

	<u>RSUI</u>	<u>CATA</u>	<u>Darwin(1)</u>	<u>AIHL</u>
<u>2005</u>				
Gross premiums written (2)	\$270.9	\$43.2	\$33.9	\$348.0
Net premiums written (2)	141.6	41.1	20.5	203.2
Net premiums earned	\$155.5	\$39.3	\$18.7	\$213.5
Loss and loss adjustment expenses	82.4	20.0	12.9	115.3
Underwriting expenses	<u>30.0</u>	<u>17.7</u>	<u>5.3</u>	<u>53.0</u>
Underwriting profit (loss) (3)	<u>43.1</u>	<u>1.6</u>	<u>0.5</u>	45.2
Interest, dividend and other income				14.2
Net gains on investment transactions				25.2
Other expenses				<u>7.4</u>
Earnings before income taxes				<u>\$77.2</u>
Loss ratio (4)	53.0%	50.9%	68.9%	54.0%
Expense ratio (5)	19.2%	45.1%	28.5%	24.8%
Combined ratio (6)	72.2%	96.0%	97.4%	78.8%
<u>2004</u>				
Gross premiums written (2)	\$294.4	\$41.7	\$20.6	\$356.7
Net premiums written (2)	137.7	36.8	14.0	188.5
Net premiums earned	\$148.4	\$34.4	\$6.9	\$189.7
Loss and loss adjustment expenses	70.0	18.8	4.3	93.1
Underwriting expenses	<u>23.5</u>	<u>15.2</u>	<u>3.0</u>	<u>41.7</u>
Underwriting profit (loss) (3)	<u>\$54.9</u>	<u>\$0.4</u>	<u>\$(0.4)</u>	54.9
Interest, dividend and other income				10.3
Net gains on investment transactions				31.4
Other expenses				<u>6.0</u>
Earnings before income taxes				<u>\$90.6</u>
Loss ratio (4)	47.2%	54.6%	62.3%	49.1%
Expense ratio (5)	15.8%	44.1%	43.5%	22.0%
Combined ratio (6)	63.0%	98.7%	105.8%	71.1%

- (1) Although Darwin is an underwriting manager for Platte River and certain subsidiaries of CATA, Darwin is managed on an operating unit basis and therefore, the results of business generated by Darwin have been separated from CATA's results for purposes of this table.
- (2) Amounts do not reflect the impact of an inter-company pooling agreement.
- (3) Represents net premiums earned less loss and loss adjustment expenses and underwriting expenses, all as determined in accordance with U.S. generally accepted accounting principles ("GAAP"), and does not include interest, dividend and other income or net gains on investment transactions. Underwriting profit (loss) does not replace net earnings (loss) determined in accordance with GAAP

as a measure of profitability; rather, Alleghany believes that underwriting profit (loss), which does not include interest, dividend and other income or net gains on investment transactions, enhances the understanding of AIHL's insurance operating units' operating results by highlighting net earnings attributable to their underwriting performance. With the addition of interest, dividend and other income and net gains on investment transactions, reported pre-tax net earnings (a GAAP measure) may show a profit despite an underlying underwriting loss. Where such underwriting losses persist over extended periods, an insurance company's ability to continue as an ongoing concern may be at risk. Therefore, Alleghany views underwriting (loss) profit as an important measure in the overall evaluation of performance.

- (4) Loss and loss adjustment expenses divided by net premiums earned, all as determined in accordance with GAAP.
- (5) Underwriting expenses divided by net premiums earned, all as determined in accordance with GAAP.
- (6) The sum of the Loss Ratio and Expense Ratio, all as determined in accordance with GAAP, representing the percentage of each premium dollar an insurance company has to spend on losses (including loss adjustment expenses) and underwriting expenses.

RSUI's 2005 first quarter underwriting profit was approximately \$43.1 million, compared with approximately \$54.9 million in the corresponding 2004 period, primarily reflecting an increase in loss and loss adjustment expenses in certain property lines of business and higher underwriting expenses primarily reflecting the absence of profit sharing payments received under certain property reinsurance treaties due to 2004 catastrophe losses. CATA reported an underwriting profit of \$1.6 million in the 2005 first quarter, compared with \$0.4 million in the first quarter of 2004, primarily reflecting improved loss experience in its property and casualty lines of business and a decrease in reinsurance costs. Darwin reported an underwriting profit of \$0.5 million in the 2005 first quarter, compared with an underwriting loss of \$0.4 million in the 2004 first quarter, primarily reflecting a significant increase in net premiums earned due to increased levels of gross premiums written across all lines of business, partially offset by increased loss and loss adjustment and underwriting expenses primarily attributable to such premium growth.

World Minerals recorded pre-tax earnings of \$1.5 million on revenues of \$69.6 million in first quarter 2005, compared with pre-tax earnings of \$5.3 million on revenues of \$67.0 million in the corresponding period in 2004. The 2005 first quarter results primarily reflect higher operating, production and transportation costs, primarily at World Minerals' Lompoc, California plant, which were exacerbated by unusually heavy rainfall in California during the quarter, and competitive pricing pressures, partially offset by a modest increase in net sales.

Corporate activities recorded pre-tax earnings of \$15.1 million on revenues of \$25.5 million in the 2005 first quarter, compared with a pre-tax loss of \$2.4 million on revenues of \$7.9 million in the corresponding period in 2004. Corporate activities' 2005 first quarter results include \$22.0 million of net gains on investment transactions before tax, compared with \$1.7 million in the corresponding 2004 period.

As of March 31, 2005, Alleghany beneficially owned 8.0 million shares, or approximately 2.1 percent, of the outstanding common stock of Burlington Northern Santa Fe Corporation, which had an aggregate market value on that date of approximately \$431.4 million, or \$53.93 per share. The aggregate cost of such shares is approximately \$96.6 million, or \$12.07 per share.

Alleghany has previously announced that it may purchase shares of its common stock in open market transactions from time to time. In the first quarter of 2005, Alleghany did not make any such purchases of shares of its common stock. As of March 31, 2005, Alleghany had

7,885,205 shares of common stock outstanding (which includes the stock dividend declared in March 2005).

Comment on Regulation G

This press release includes certain non-GAAP financial measures. The reconciliations of such measures to the most comparable GAAP figures are included herein. Throughout the press release Alleghany presents its operations in the way it believes will be most meaningful and useful to the investing public and others who use such information in evaluating Alleghany's results.

In addition to the GAAP presentations of net earnings (loss), Alleghany also shows net earnings (loss) as adjusted to exclude both net catastrophe losses after tax and net gains on investment transactions after tax, a non-GAAP financial measure, which is intended to assist investors in analyzing the impact of such items. Catastrophe losses and gains on investment transactions can fluctuate significantly from period to period, which could distort the analysis of trends and comparability of reported periods.

Investors should consider these non-GAAP measures in addition to, and not as a substitute for, measures of financial performance prepared in accordance with GAAP.

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ALLEGHANY CORPORATION
CONSOLIDATED STATEMENTS OF EARNINGS
(dollars in thousands)
(unaudited)

	THREE MONTHS ENDED MARCH 31, 2005				THREE MONTHS ENDED MARCH 31, 2004			
	ALLEGHANY INSURANCE HOLDINGS	WORLD MINERALS	CORPORATE ACTIVITIES	COMBINED	ALLEGHANY INSURANCE HOLDINGS	WORLD MINERALS	CORPORATE ACTIVITIES	COMBINED
Revenues								
Net premiums earned	\$213,552	\$0	\$0	\$213,552	\$189,668	\$0	\$0	\$189,668
Net mineral and filtration sales	0	69,738	0	69,738	0	67,081	0	67,081
Interest, dividend and other income	14,248	(162)	3,476	17,562	10,273	(92)	6,171	16,352
Net gain (loss) on investments transactions	<u>25,192</u>	<u>0</u>	<u>22,035</u>	<u>47,227</u>	<u>31,437</u>	<u>0</u>	<u>1,746</u>	<u>33,183</u>
Total revenues	252,992	69,576	25,511	348,079	231,378	66,989	7,917	306,284
Costs and expenses								
Loss and loss adjustment expenses	115,277	0	0	115,277	93,098	0	0	93,098
Commissions and brokerage	53,044	0	0	53,044	41,638	0	0	41,638
Cost of mineral and filtration sales	0	56,954	0	56,954	0	51,378	0	51,378
Salaries, administrative and other operating expenses	7,354	10,410	799	18,563	5,984	9,801	1,004	16,789
Corporate administration	102	0	8,979	9,081	33	0	8,769	8,802
Interest expense	<u>0</u>	<u>687</u>	<u>665</u>	<u>1,352</u>	<u>0</u>	<u>556</u>	<u>532</u>	<u>1,088</u>
Total costs and expenses	<u>175,777</u>	<u>68,051</u>	<u>10,443</u>	<u>254,271</u>	<u>140,753</u>	<u>61,735</u>	<u>10,305</u>	<u>212,793</u>
Earnings (loss) from continuing operations before income taxes	<u>\$77,215</u>	<u>\$1,525</u>	<u>\$15,068</u>	<u>93,808</u>	<u>\$90,625</u>	<u>\$5,254</u>	<u>(\$2,388)</u>	<u>93,491</u>
Income taxes				<u>32,937</u>				<u>32,795</u>
Earnings from continuing operations				<u>60,871</u>				<u>60,696</u>
Discontinued operations								
Operations	0			0				2,287
Income taxes	<u>0</u>			<u>0</u>				<u>919</u>
Earnings from discontinued operations, net								<u>1,368</u>
Net earnings				<u>\$60,871</u>				<u>\$62,064</u>

**ALLEGHANY CORPORATION
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS**

(in thousands, except share amounts)

	<u>MARCH 31, 2005 (unaudited)</u>	<u>DECEMBER 31, 2004* (audited)</u>
ASSETS		
Available for sale securities at fair value:		
Equity securities	\$637,291	\$645,184
Debt securities	1,466,558	1,179,210
Short-term investments	<u>265,733</u>	<u>378,452</u>
	2,369,582	2,202,846
Cash	240,729	288,436
Notes receivable	91,665	91,665
Accounts receivable, net	63,008	70,547
Premium balances receivable	181,466	203,141
Reinsurance recoverables	648,922	623,325
Ceded unearned premium reserves	275,131	286,451
Deferred acquisition costs	55,514	56,165
Property and equipment - at cost, net of accumulated depreciation	164,976	168,316
Inventory	39,950	41,521
Goodwill and other intangibles, net of amortization	221,339	223,706
Deferred tax assets	110,738	104,563
Other assets	<u>121,131</u>	<u>67,043</u>
	<u><u>\$4,584,151</u></u>	<u><u>\$4,427,725</u></u>
LIABILITIES AND COMMON STOCKHOLDERS' EQUITY		
Losses and loss adjustment expenses	\$1,266,411	\$1,232,337
Unearned premiums	729,517	751,131
Reinsurance payable	121,794	112,479
Deferred tax liabilities	225,384	224,847
Subsidiaries' debt	138,860	138,258
Current taxes payable	46,008	17,433
Other liabilities	<u>228,389</u>	<u>177,824</u>
Total liabilities	2,756,363	2,654,309
Common stockholders' equity	<u>1,827,788</u>	<u>1,773,416</u>
	<u><u>\$4,584,151</u></u>	<u><u>\$4,427,725</u></u>
COMMON SHARES OUTSTANDING (adjusted for stock dividends)	<u>7,885,205</u>	<u>7,829,721</u>

* Certain amounts have been reclassified to conform to the 2005 presentation.