

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): August 8, 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.)

7 Times Square Tower

17th Floor

New York, New York

10036

(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 August 8, 2005, Alleghany Corporation issued a press release on the subject of its 2005 second 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 Second Quarter Earnings Release, dated August 8, 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: August 9, 2005

Index to Exhibits

Exhibit Number

Exhibit Description

99.1

2005 Second Quarter Earnings Release,
dated August 8, 2005

NEW YORK, NY, August 8, 2005 -- Net earnings from continuing operations of Alleghany Corporation (NYSE-Y) in the second quarter of 2005 were \$36.9 million, or \$4.67 per share (per share information throughout is presented on a diluted basis), compared with \$44.0 million, or \$5.61 per share, in the second quarter of 2004. Weston M. Hicks, President and chief executive officer of Alleghany, announced today. Alleghany common stockholders' equity per share at June 30, 2005 was \$233.29, an increase of 3.0% 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 \$2.65 billion at June 30, 2005, an increase of 7.3% from approximately \$2.47 billion at December 31, 2004.

Alleghany had net catastrophe losses after tax of \$3.6 million, or \$0.46 per share, in the 2005 second quarter, compared with \$1.7 million, or \$0.22 per share in the corresponding 2004 period. In the second quarter of 2005, net gains on investment transactions after tax were \$0.4 million, or \$0.05 per share, compared with \$2.8 million, or \$0.36 per share, in the 2004 second quarter. Second quarter 2005 net earnings from continuing operations adjusted to exclude net catastrophe losses after tax and net gains on investment transactions after tax were \$40.1 million, or \$5.08 per share, compared with \$42.9 million, or \$5.47 per share, in the corresponding 2004 period.

(in millions, except for per share and share amounts)	<u>Three Months Ended June 30,</u>		<u>Per Share(1)</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Net earnings from continuing operations	\$36.9	\$44.0	\$4.67	\$5.61
<i>Adjustments:</i>				
<i>Add:</i> Net catastrophe losses after tax	3.6	1.7	0.46	0.22
<i>Deduct:</i> Net gains on investment transactions after tax	<u>(0.4)</u>	<u>(2.8)</u>	<u>(0.05)</u>	<u>(0.36)</u>
Net earnings from continuing operations, as adjusted (2)	\$40.1	\$42.9	\$5.08	\$5.47
Average number of outstanding shares of common stock (3)			7,917,555	7,854,462

(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.

Six Months Ended June 30,

Per Share(1)

(in millions, except for per share and share amounts)

	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Net earnings from continuing operations	\$98.2	\$102.0	\$12.43	\$13.00
<i>Adjustments:</i>				
<i>Add:</i> Net catastrophe losses after tax	9.1	2.0	1.15	0.26
<i>Deduct:</i> Net gains on investment transactions after tax	<u>(31.1)</u>	<u>(24.4)</u>	<u>(3.93)</u>	<u>(3.11)</u>
Net earnings from continuing operations, as adjusted (2)	\$76.2	\$79.6	\$9.65	\$10.15
Average number of outstanding shares of common stock (3)			7,905,073	7,844,981

(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.

The comparative contributions to earnings from continuing operations before taxes made by 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 corporate activities (consisting of Alleghany Properties LLC and corporate activities at the parent level), were as follows (in millions):

	<u>Three Months Ended</u> <u>June 30,</u>		<u>Six Months Ended</u> <u>June 30,</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
AIHL	\$58.0	\$75.3	\$135.2	\$165.9
Corporate activities	<u>(5.5)</u>	<u>(9.1)</u>	<u>9.6</u>	<u>(11.5)</u>
Total	<u>\$52.5</u>	<u>\$ 66.2</u>	<u>\$144.8</u>	<u>\$154.4</u>

AIHL recorded pre-tax earnings of \$58.0 million on revenues of \$234.0 million in the 2005 second quarter, compared with pre-tax earnings of \$75.3 million on revenues of \$217.0 million in the second quarter of 2004, and pre-tax earnings of \$135.2 million on revenues of \$487.0 million in the first six months of 2005, compared with pre-tax earnings of \$165.9 million on revenues of \$448.3 million in the corresponding 2004 period. AIHL's 2005 second quarter pre-tax earnings include investment income before tax of \$14.7 million and net gains on investment transactions before tax of \$0.6 million, compared with \$9.4 million and \$4.4 million, respectively, in the corresponding 2004 period. AIHL's 2005 first half pre-tax earnings include investment income before tax of \$29.0 million and net gains on investment transactions before tax of \$25.8 million, compared with \$19.7 million and \$35.8 million, respectively, in the first six months of 2004.

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 June 30,

	<u>RSUI</u>	<u>CATA</u>	<u>Darwin(1)</u>	<u>AIHL</u>
<u>2005</u>				
Gross premiums written (2)	\$325.3	\$45.7	\$36.7	\$407.7
Net premiums written (2)	168.2	43.7	20.8	232.7
Net premiums earned	\$158.2	\$40.5	\$20.0	\$218.7
Loss and loss adjustment expenses	83.0	17.8	13.5	114.3
Underwriting expenses	<u>31.4</u>	<u>17.9</u>	<u>6.1</u>	<u>55.4</u>
Underwriting profit (3)	<u>\$ 43.8</u>	<u>\$ 4.8</u>	<u>\$ 0.4</u>	49.0
Interest, dividend and other income				14.7
Net gain on investment transactions				0.6
Other expenses				<u>(6.3)</u>
Earnings before income taxes				<u>\$58.0</u>
Loss ratio (4)	52.5%	44.0%	67.6%	52.3%
Expense ratio (5)	19.8%	44.1%	30.9%	25.3%
Combined ratio (6)	72.3%	88.1%	98.5%	77.6%
<u>2004</u>				
Gross premiums written (2)	\$308.1	\$46.7	\$20.2	\$375.0
Net premiums written (2)	171.8	42.2	14.6	228.6
Net premiums earned	\$154.0	\$39.5	\$ 9.7	\$203.2
Loss and loss adjustment expenses	63.4	22.6	6.0	92.0
Underwriting expenses	<u>23.5</u>	<u>15.6</u>	<u>3.7</u>	<u>42.8</u>
Underwriting profit (3)	<u>\$ 67.1</u>	<u>\$ 1.3</u>	<u>\$--</u>	68.4
Interest, dividend and other income				9.4
Net gain on investment transactions				4.4
Other expenses				<u>(6.9)</u>
Earnings before income taxes				<u>\$75.3</u>
Loss ratio (4)	41.2%	57.2%	62.3%	45.3%
Expense ratio (5)	15.2%	39.4%	38.0%	21.0%
Combined ratio (6)	56.4%	96.6%	100.3%	66.3%

Six Months Ended June 30,

	<u>RSUI</u>	<u>CATA</u>	<u>Darwin(1)</u>	<u>AIHL</u>
<u>2005</u>				
Gross premiums written (2)	\$596.3	\$88.9	\$70.5	\$755.7
Net premiums written (2)	309.8	84.8	41.4	436.0
Net premiums earned	\$313.7	\$79.8	\$38.7	\$432.2
Loss and loss adjustment expenses	165.4	37.8	26.4	229.6
Underwriting expenses	<u>61.3</u>	<u>35.6</u>	<u>11.5</u>	<u>108.4</u>
Underwriting profit (3)	<u>\$ 87.0</u>	<u>\$ 6.4</u>	<u>\$ 0.8</u>	94.2
Interest, dividend and other income				29.0
Net gain on investment transactions				25.8
Other expenses				<u>(13.8)</u>
arnings before income taxes				<u>\$135.2</u>
Loss ratio (4)	52.7%	47.4%	68.2%	53.1%
Expense ratio (5)	19.6%	44.6%	29.7%	25.1%
Combined ratio (6)	72.3%	92.0%	97.9%	78.2%
<u>2004</u>				
Gross premiums written (2)	\$602.5	\$88.4	\$40.8	\$731.7
Net premiums written (2)	309.5	79.0	28.6	417.1
Net premiums earned	\$302.3	\$74.0	\$16.6	\$392.9
Loss and loss adjustment expenses	133.4	41.4	10.4	185.2
Underwriting expenses	<u>47.0</u>	<u>30.8</u>	<u>6.6</u>	<u>84.4</u>
Underwriting profit (loss) (3)	<u>\$121.9</u>	<u>\$ 1.8</u>	<u>\$(0.4)</u>	123.3
Interest, dividend and other income				19.7
Net gain on investment transactions				35.8
Other expenses				<u>(12.9)</u>
arnings before income taxes				<u>\$165.9</u>
Loss ratio (4)	44.1%	56.0%	62.4%	47.1%
Expense ratio (5)	15.5%	41.6%	40.0%	21.5%
Combined ratio (6)	59.6%	97.6%	102.4%	68.6%

- (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.

The decrease in RSUI's underwriting profit in the second quarter and first half of 2005 compared with the corresponding 2004 periods primarily reflects an increase in the percentage of total business written by RSUI attributable to casualty lines of business as such business is recorded at a higher loss ratio compared with property lines of business, an increase in loss and loss adjustment expenses in property due primarily to one large non-catastrophe weather-related loss and higher underwriting expenses mainly due to the absence of profit sharing payments under certain property reinsurance treaties resulting from catastrophe losses in 2004. The increase in CATA's underwriting profit in the second quarter and first half of 2005 compared with the corresponding 2004 periods primarily reflects a \$2.4 million pre-tax reduction in prior year loss reserves in the 2005 second quarter (compared with a \$2.9 million increase in prior year loss reserves in the 2004 second quarter) and a decrease in reinsurance costs. Darwin reported an increase in underwriting profits in the second quarter and first half of 2005 from the corresponding 2004 periods, 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 expenses and underwriting expenses primarily attributable to such premium growth.

Corporate activities recorded a pre-tax loss of \$5.5 million on revenues of \$6.8 million in the 2005 second quarter, compared with a pre-tax loss of \$9.1 million on revenues of \$2.2 million in the corresponding period in 2004, and pre-tax earnings of \$9.6 million on revenues of \$32.3 million in the first six months of 2005, compared with a pre-tax loss of \$11.5 million on

revenues of \$10.1 million in the corresponding 2004 period. Corporate activities' 2005 and 2004 second quarter results include no gains on investment transactions before tax, and corporate activities' 2005 first half results include \$22.0 million of net gains on investment transactions before tax, compared with \$1.7 million in the first six months of 2004.

On July 14, 2005, Alleghany completed the sale of its world-wide industrial minerals business, World Minerals Inc., to Imerys USA, Inc., a wholly owned subsidiary of Imerys, S.A., for a purchase price of \$216.8 million. The sale resulted in a modest after-tax gain that will be reported in the 2005 third quarter. As mentioned above, Alleghany has classified the operations of World Minerals as a discontinued operation in its financial statements for all periods presented. Alleghany's net loss from discontinued operations was \$5.9 million in the first six months of 2005, compared with net earnings from discontinued operations of \$8.8 million in the corresponding period in 2004. World Minerals was unprofitable in the second quarter of 2005 due to competitive pricing pressures, rising energy and other operating costs, a \$5.7 million after-tax write-off related to foreign tax credits that will not be used as a result of the sale of World Minerals and a \$2.8 million after-tax write-off related to the termination of a major systems project in connection with the sale of World Minerals.

As of June 30, 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 \$376.6 million, or \$47.08 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 second quarter of 2005, Alleghany did not make any such purchases of shares of its common stock. As of June 30, 2005, Alleghany had 7,889,136 shares of common stock outstanding (which includes the stock dividend declared in March 2005).

Additional information regarding the 2005 second quarter results of Alleghany and its operating units is contained in Alleghany's Report on Form 10-Q for the quarter ended June 30, 2005, which will be filed with the U.S. Securities and Exchange Commission on August 9, 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
COMBINING STATEMENTS OF EARNINGS
(dollars in thousands)
(unaudited)

	THREE MONTHS ENDED 6/30/05			THREE MONTHS ENDED 6/30/04		
	ALLEGHANY INSURANCE HOLDINGS	CORPORATE ACTIVITIES	COMBINED	ALLEGHANY INSURANCE HOLDINGS	CORPORATE ACTIVITIES	COMBINED
Revenues						
Net premiums earned	\$218,654	\$0	\$218,654	\$203,215	\$0	\$203,215
Interest, dividend and other income	14,738	6,836	21,574	9,387	2,261	11,648
Net gain (loss) on investments transactions	<u>620</u>	<u>(3)</u>	<u>617</u>	<u>4,363</u>	<u>(11)</u>	<u>4,352</u>
Total revenues	234,012	6,833	240,845	216,965	2,250	219,215
Costs and expenses						
Loss and loss adjustment expenses	114,305	0	114,305	92,016	0	92,016
Commissions and brokerage	55,378	0	55,378	42,750	0	42,750
Salaries, administrative and other operating expenses	6,229	821	7,050	6,842	752	7,594
Corporate administration	99	10,532	10,631	106	9,986	10,092
Interest expense	<u>0</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>591</u>	<u>591</u>
Total costs and expenses	<u>176,011</u>	<u>12,353</u>	<u>188,364</u>	<u>141,714</u>	<u>11,329</u>	<u>153,043</u>
Earnings (loss) from continuing operations, before income taxes	\$58,001	(\$5,520)	52,481	\$75,251	(\$9,079)	66,172
Income taxes			<u>15,554</u>			<u>22,126</u>
Earnings from continuing operations			36,927			44,046
Discontinued operations						
Operations (including loss on disposal of \$1,166 in 2005)			<u>(2,178)</u>			<u>8,282</u>
Income taxes			<u>3,347</u>			<u>3,605</u>
(Loss) earnings from discontinued operations, net			1,169			4,677
Net earnings			\$31,402			\$48,723

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

	SIX MONTHS ENDED 6/30/05			SIX MONTHS ENDED 6/30/04		
	ALLEGHANY			ALLEGHANY		
	INSURANCE HOLDINGS	CORPORATE ACTIVITIES	COMBINED	INSURANCE HOLDINGS	CORPORATE ACTIVITIES	COMBINED
Revenues						
Net premiums earned	\$432,206	\$0	\$432,206	\$392,883	\$0	\$392,883
Interest, dividend and other income	28,986	10,312	39,298	19,660	8,432	28,092
Net gain (loss) on investments transactions	<u>25,812</u>	<u>22,032</u>	<u>47,844</u>	<u>35,800</u>	<u>1,735</u>	<u>37,535</u>
Total revenues	487,004	32,344	519,348	448,343	10,167	458,510
Costs and expenses						
Loss and loss adjustment expenses	229,582	0	229,582	185,114	0	185,114
Commissions and brokerage	108,422	0	108,422	84,388	0	84,388
Salaries, administrative and other operating expenses	13,583	1,620	15,203	12,826	1,756	14,582
Corporate administration	201	19,511	19,712	139	18,755	18,894
Interest expense	0	1,665	1,665	0	1,123	1,123
Total costs and expenses	<u>351,788</u>	<u>22,796</u>	<u>374,584</u>	<u>282,467</u>	<u>21,634</u>	<u>304,101</u>
Earnings (loss) from continuing operations, before income taxes	\$135,216	\$9,548	144,764	\$165,876	(\$11,467)	154,409
Income taxes			<u>46,614</u>			<u>52,452</u>
Earnings from continuing operations			98,150			101,957
Discontinued operations						
Operations (including loss on disposal of \$1,166 in 2005)			(653)			15,823
Income taxes			5,224			6,993
(Loss) earnings from discontinued operations, net			(5,877)			8,830
Net earnings			\$92,273			\$110,787

**ALLEGHANY CORPORATION
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS**

(in thousands, except share amounts)

	<u>JUNE 30, 2005 (unaudited)</u>	<u>DECEMBER 31, 2004*</u>
ASSETS		
Available for sale securities at fair value:		
Equity securities	\$692,138	\$645,184
Debt securities	1,491,203	1,179,210
Short-term investments	389,694	374,391
	<u>2,573,035</u>	<u>2,198,785</u>
Cash	74,135	267,760
Notes receivable	91,536	91,665
Accounts receivable, net	2,484	16,776
Premium balances receivable	217,976	203,141
Reinsurance recoverables	708,145	623,325
Ceded unearned premium reserves	292,952	286,451
Deferred acquisition costs	56,890	56,165
Property and equipment - at cost, net of accumulated depreciation and amortization	17,753	15,691
Goodwill and other intangibles, net of amortization	171,750	172,707
Deferred tax assets	101,869	98,753
Assets of discontinued operations	335,820	336,584
Other assets	63,967	59,922
	<u>\$4,708,312</u>	<u>\$4,427,725</u>
LIABILITIES AND COMMON STOCKHOLDERS' EQUITY		
Losses and loss adjustment expenses	\$1,362,593	\$1,232,337
Unearned premiums	761,407	751,131
Reinsurance payable	152,602	112,479
Deferred tax liabilities	186,500	206,250
Subsidiaries' debt	80,000	80,000
Current taxes payable	38,166	15,713
Liabilities of discontinued operations	146,957	136,397
Other liabilities	139,595	120,002
Total liabilities	<u>2,867,820</u>	<u>2,654,309</u>
Common stockholders' equity	1,840,492	1,773,416
	<u>\$4,708,312</u>	<u>\$4,427,725</u>
COMMON SHARES OUTSTANDING (adjusted for stock dividends)	7,889,136	7,829,721

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