



12/05/2010

**PRESS
RELEASE**

Generali Group: consolidated results at 31 March 2010¹

Strong progress in net profit to € 527 million (€ 104 million in 1Q09). Premiums up at € 20.9 billion (+16.2%).

IMPROVEMENT IN PRODUCTION AND OPERATING RESULT

- Life premiums rise to € 14.2 billion (+25.7%) with new business in terms of APE at € 1.5 billion (+21.3%). Non-Life premiums stable at € 6.6 billion
- Life net inflows almost double to € 6.1 billion (€ 3.2 billion in 1Q09)
- Non-Life combined ratio 98% (96.3% 1Q09; 99.5% 4Q09) after an increase of 1.4 p.p. in catastrophic events
- Total operating result rises to € 1.2 billion (+22%); operating result in Life € 866 million (+60.8%); Non-Life € 335 million (-25.4%); Financial Services € 98 million (+6.4%)

SOLID CAPITAL POSITION CONFIRMED

- Shareholders' equity increases to € 18 billion (€ 16.7 billion at the end of 2009)
- Solvency I at 129%

OPERATING EFFICIENCY CONTINUES TO IMPROVE

- Administrative and other operating expenses down 2.3%

Chairman **Cesare Geronzi** said: *“Although the macroeconomic climate remained difficult, the Generali Group was able to close the first quarter with strong growth, intensifying its long-term strategy and its program to diversify the geographical and sectorial base of its operations. These results reward the Group’s capacity for innovation and competitiveness, reflecting its ability to improve profitability and meet the expectations of a diversified clientele. Generali has focused on the growth of its traditional savings investment business to respond to growing international competition and to operate in an environment subject, as we have seen, to recurring crises, with a consequent need for security among clients. The Group can continue to set ambitious targets because it has the advantage of an organisation of people with the ability to take on the toughest challenges.”*

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Conference call on 1Q2010 results at 2:30 p.m. today, 12 May, on +39 02 8058827 (listen only), or via the website www.generali.com. The presentation of the results and the quarterly report are available on the website www.generali.com.

¹ Changes in premiums are stated on a like-for-like basis, at constant perimeter and exchange rates, with respect to the same period of 2009. The changes in Life net inflows, operating result, expenses and technical reserves are stated excluding Intesa Vita in 2009, given that, in compliance with IFRS 5, the relevant assets and liabilities have been classified in separate items on the balance sheet and the net profit for 2009 is reflected in a specific line on the P&L account.

At a meeting today in Milan chaired by Cesare Geronzi, the Board of Directors of Assicurazioni Generali approved the consolidated results for the first quarter of 2010.

In another quarter affected by the difficult world economic situation, results for the first quarter to 31 March confirmed Generali's ability to grow in terms of premium income and business profitability. The quarter closed with a **net profit** of € 527 million, a significant improvement on € 104 million in the first quarter of 2009.

The earnings result reflects the growth trend that began in the second half of 2009 and was driven by the excellent performance of the Life business, which benefited from high premium income, the improvement on the financial markets and containment of costs. The Life operating result rose to € 866 million (+60.8%), assisting the growth of the total **operating result** to € 1,201 million (+22%).

Total **gross written premiums** increased by 16.2% to € 20.9 billion (€ 18.5 billion in the first quarter of 2009). In particular, the improvement was supported by outstanding performance in the Life business, where premiums totalled € 14.2 billion (+25.7%), reflecting significant growth on the Group's key markets, specifically Italy (+36.4%) and France (+27.8%). Non-Life premiums were stable at € 6.6 billion despite the difficult macroeconomic situation.

The Group maintained its **focus on operating efficiency**, achieving a further decrease of 2.3% in administrative and other operating expenses in the first quarter.

The Group's **solid capital position** was reflected in the rise in shareholders' equity to € 18,002 million, from € 16,652 million at the end of 2009. Its Solvency I ratio (computed as indicated by the Italian supervisory authorities) was 129%, an improvement of one percentage point from the end of 2009, despite capital absorbed by the strong growth of the Life segment. The ratio does not include off-balance-sheet unrealised gains on real estate assets, which would raise the ratio by more than 15 percentage points.

The Group **investment policy** focused on maintaining an appropriate balance between risk and medium/long-term profitability. Excluding investments in linked contracts, investments stood at € 319 billion, up from € 310 billion at the end of 2009. Fixed-income financial instruments accounted for 79% of investments, equity for 9.4%, real estate for 4.6%, cash and cash equivalents for 2.8%, other investments for 4.1%.

OUTLOOK

Given current macroeconomic conditions, in the Non-Life segment the Group expects substantially stable premiums and an improvement in technical margins through increased operating efficiency and appropriate action on policy rates, with positive effects for the combined ratio. Considering the current financial scenario, in the Life sector the Group expects to maintain high premium income and report a further improvement in margins, specifically as a result of cost-cutting measures. Investment policy will continue to be based on a prudent asset allocation with a view to consolidating current profitability. Subject to exceptional events, the Group expects to report growth in its operating margins and net profit with respect to 2009 levels.

LIFE SEGMENT

In the current financial environment, the Group's product quality, distribution model and geographical diversification were key drivers for strong growth (+25.7%) in **Life gross written premiums** to € 14,214 million, from € 11,889 million in the year-earlier period. The Life segment's outstanding performance reflected progress in all the core countries where the Group operates. In Italy in particular, premiums grew by 36.4%, thanks to the excellent progress of all the proprietary networks. Production improved in France (+27.8%), in Germany (+4.2%), mainly thanks to the growth reported in the health line, and in CEE countries (+2.8%). Good business growth was also reported in South America (+29.2%) and China (+46.3%).

New business in terms of APE (Annual Premium Equivalent) reported the best quarterly result, with an increase of 21.3% to € 1,532 million (€ 1,196 million in 1Q09). Particularly important contributions came from Italy (+34.6%) and France (+25.7%).

The quarter also saw a significant increase in **Life net inflows** – premium income less maturities and surrenders – to € 6,111 million, almost double the level of the year-earlier period (€ 3,184 million).

The **Life operating result** gained 60.8% to reach € 866 million (€ 563 million in 1Q09) confirming the positive trend that began in mid-2009. The improvement arose from the growth in Life net inflows, the recovery on the financial markets and the reduction in operating costs.

Life technical reserves, including investment contracts, increased by 3.4% to € 296 billion (€ 286 billion at the end of 2009).

Life gross premiums written and Life APE

€ million	Life gross premiums written			New APE business		
	31/03/2010	31/03/2009	Δ like-for-like	31/03/2010	31/03/2009	Δ like-for-like
Italy	3,678	3,288	36.4%	466	301	34.6%
France	4,033	3,155	27.8%	413	329	25.7%
Germany	3,158	3,032	4.2%	266	278	-5.2%
CEE	400	364	2.8%	40	37	-0.5%
Total	14,214	11,889	25.7%	1,532	1,196	21.3%

NON-LIFE SEGMENT

Non-Life gross premiums written were substantially stable at € 6,650 million (€ 6,590 million in 1Q09; +0.9% on an historic basis), reflecting 1.1% growth in direct business premiums in the non-motor lines and a decrease of 1.6% in the motor sector. Positive contributions to premiums came from France (+5%) and Italy (+0.8%). Premium performance in Germany (-1.5%) and CEE countries (-1.6%) was mostly due to trends in the motor business.

The **combined ratio** was 98% (96.3% in 1Q09), mirroring the rise in the loss ratio from 68.8% to 70.2% as a result of an increase in catastrophic events – storms in Europe (Xynthia), the earthquake in Chile – which accounted for an additional 1.4 p.p. compared with the first quarter of 2009. Administrative costs were stable.

Catastrophic events had an impact of € 115 million on the Non-Life **operating result**, which was € 335 million (-25.4%; € 449 million 1Q09). The result was also affected by the fall in short-term interest rates, a particularly significant factor for investments of the Non-Life segment.

The **reserving ratio** (total net reserves/net earned premiums) was in line with the first quarter of 2009.

Non-Life gross premiums written

€ million	31/03/2010	31/03/2009	Δ like-for-like
Italy	1,715	1,703	0.8%
France	1,223	1,164	5%
Germany	1,292	1,312	-1.5%
CEE	613	565	-1.6%
Total	6,650	6,590	0%

FINANCIAL SERVICES

The **operating result** in Financial Services was € 98.3 million (+6.4%; € 92.4 million 1Q09), reflecting the upturn on the financial markets and higher net commissions.

In asset management, assets under management totalled € 422,150 million (+3.9% from the end of 2009). This included third-party assets for € 84,127 million (+6.1%). Asset management accounts for the bulk of the Financial Services business and is mainly concerned with management of the financial instruments of the Group companies.

2009 SUSTAINABILITY REPORT

The Board of Directors approved the 2009 Sustainability Report. In 2009 Group Global Added Value (GAV) grew by 5.2% to € 12.6 billion. GAV reflects wealth generated by Group business activities and distributed to the various stakeholder classes in the form of wages, commissions, dividends, interest on debt capital, tax, donations and sponsorships.

GAV breakdown in 2009

€ million	2009	% of total 2009	2008
Shareholders	1,776.4	13.9%	1,064.0
Employees	3,930.7	31.1%	3,890.4
Agents/Financial advisors	5,136.0	40.7%	5,014.8
State	498.1	4.0%	472.5
Lenders	1,262.7	10.0%	1,531.4
Community	41.2	0.3%	38.0
Total	12,635.1		12,011.1

The Manager in charge of preparing the company's financial reports, Mr Raffaele Agrusti, declares, pursuant to paragraph 2 article 154 bis of the Consolidated Law on Finance, that the accounting information in this press release corresponds to the document results, books and accounting entries.

Attachments: Group highlights and the Consolidated profit & loss account and balance sheet.

DEFINITIONS AND GLOSSARY

Annual Premium Equivalent (APE) = the sum of the initial premium on new annual-premium policies, plus one-tenth of premiums on new single-premium policies. This is the premium base used to compute Life new business value.

Combined Ratio = loss ratio plus expense ratio (acquisition and administration expenses) divided by net earned premiums.

Operating result was obtained by reclassifying the components making up the pre-tax profit for the year in each segment on the basis of the specific characteristics of the segment, and taking account of the recurring expenses of the holding.

In particular, all profit and loss items were considered, with the exception of net non-operating costs: results of non-current assets or disposal group classified as held for sale, restructuring costs, amortisation of portfolios acquired directly or through acquisition of control of insurance companies or companies in the financial sector (value of business acquired or VOBA) and other net non-recurring costs. The following are also considered as non-operating items: in the **Life segment**, realised gains and losses and net impairment losses on investments on which the policyholder's profit sharing is not based on; in the **Non-Life segment**, all realised gains and losses and net impairment losses; in the **Financial segment**, realised gains and losses and net impairment losses on investments in subsidiaries, associated companies, joint ventures and strategic equities. The total operating result does not include non-operating holding costs such as interest expense on borrowings and costs arising from implementation of parent company stock option plans and stock grants.

The Generali Group is one of Europe's largest insurance providers and the biggest European Life insurer, with 2009 total premium income of more than € 70 billion. It is also one of the world's top asset managers with assets totalling over € 400 billion in 2009, and a unique real estate operator with a property portfolio of more than € 24 billion.

With 85,000 employees worldwide and 70 million clients in 68 countries, the Group occupies a leadership position on Western European markets and an increasingly important place in Eastern Europe and Asia.

The parent company Assicurazioni Generali is listed on the Milan Stock Exchange (GASI.MI, G.IM) and has an AA- Standard & Poor's rating and an Aa3 Moody's rating.

GROUP HIGHLIGHTS

(€ million)	31/03/2010	31/03/2009
Result of the period	527.0	103.8
Consolidated operating result	1,201.3	1,008.9
Net earned premiums	17,800.4	16,129.1
Premiums related to investment contracts	1,274.0	606.6
Net earned premiums including premiums related to investment contracts	19,074.4	16,735.6
Gross premiums written	20,864.1	18,479.2
Change on equivalent terms ^(*)	16.2%	-2.7%
Acquisition and administration costs related to insurance business	2,716.0	2,681.8
Expense ratio	14.2%	16.0%
Operating result - life segment ^(**)	865.9	562.9
Net life premiums	12,747.9	11,116.4
Premiums related to investment contracts	1,274.0	606.6
Net life premiums including premiums related to investment contracts	14,021.9	11,722.9
Gross life premiums written	14,214.2	11,889.1
Change on equivalent terms ^(*)	25.7%	-3.7%
Acquisition and administration costs - life segment	1,310.4	1,304.7
Expense ratio - life segment	9.3%	11.1%
APE	1,531.8	1,195.8
Change on equivalent terms ^(***)	21.3%	-13.5%
Operating result - non-life segment ^(**)	334.9	448.9
Net non-life earned premiums	5,052.5	5,012.7
Gross non-life premiums written	6,649.9	6,590.1
Change on equivalent terms ^(*)	0.0%	-0.8%
Acquisition and administration costs - non-life segment	1,405.7	1,377.0
Expense ratio - non-life segment	27.8%	27.5%
Loss ratio - non-life segment	70.2%	68.8%
Combined ratio - non-life segment	98.0%	96.3%
Operating result - financial segment ^(**)	98.3	92.4
Total income - financial segment	438.5	468.1
Total expenses - financial segment	378.4	394.5
Operating holding expenses	67.1	62.7

(€ million)	31/03/2010	31/12/2009
Total investments	364,331.7	351,978.0
Net insurance provisions ⁽¹⁾	315,327.0	304,017.3
Net insurance provisions - life segment ⁽¹⁾	284,274.4	274,440.5
Net insurance provisions - non-life segment ⁽¹⁾	31,052.6	29,576.8
Provisions for outstanding claims and other insurance provisions	24,569.0	24,213.7
Provisions for unearned premiums	6,483.6	5,363.2
Shareholders' equity attributable to the Group ⁽²⁾	18,001.5	16,652.3

(*) On equivalent terms: on equivalent exchange rates and consolidation area compared to the same period of the previous financial year, and taking into account premiums related to investment contracts.

(**) The amounts are calculated gross of consolidation adjustments.

(***) On equivalent terms: on equivalent exchange rates, consolidation area and share attributable to the Group.

(1) The amounts are calculated net of consolidation adjustments.

(2) The result of the period is included in shareholders' equity attributable to the Group.

BALANCE SHEET - ASSETS

		31/03/2010	31/12/2009
1	INTANGIBLE ASSETS	10,568.5	10,445.1
1.1	Goodwill	7,357.9	7,273.5
1.2	Other intangible assets	3,210.6	3,171.6
2	TANGIBLE ASSETS	3,796.6	3,774.9
2.1	Land and buildings (self used)	3,236.6	3,228.4
2.2	Other tangible assets	560.0	546.5
3	AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS	5,746.1	5,576.2
4	INVESTMENTS	355,370.2	341,513.3
4.1	Land and buildings (investment properties)	12,811.9	12,731.6
4.2	Investments in subsidiaries, associated companies and joint ventures	1,981.4	1,986.4
4.3	Held to maturity investments	3,879.9	3,165.7
4.4	Loans and receivables	82,002.6	81,289.4
4.5	Available for sale financial assets	185,551.6	176,414.6
4.6	Financial assets at fair value through profit or loss of which financial assets where the investment risk is borne by the policyholders and related to pension funds	69,142.8	65,925.5
		44,960.2	42,467.2
5	RECEIVABLES	13,971.7	11,327.4
5.1	Receivables arising out of direct insurance operations	10,293.2	8,572.9
5.2	Receivables arising out of reinsurance operations	1,000.1	951.2
5.3	Other receivables	2,678.4	1,803.3
6	OTHER ASSETS	42,957.8	40,715.2
6.1	Non-current assets or disposal groups classified as held for sale	27,956.9	26,925.7
6.2	Deferred acquisition costs	1,790.0	1,773.4
6.3	Deferred tax assets	3,794.1	3,674.0
6.4	Tax receivables	2,375.6	2,131.4
6.5	Other assets	7,041.2	6,210.6
7	CASH AND CASH EQUIVALENTS	8,961.4	10,464.8
	TOTAL ASSETS	441,372.4	423,816.9

BALANCE SHEET - SHAREHOLDERS' EQUITY AND LIABILITIES

		31/03/2010	31/12/2009
1	SHAREHOLDERS' EQUITY	21,415.9	19,924.3
1.1	Shareholders' equity attributable to the Group	18,001.5	16,652.3
1.1.1	Share capital and reserves	16,233.1	14,613.6
1.1.2	Reserve for unrealized gains and losses on available for sale financial assets	1,241.4	729.6
1.1.3	Result of the period	527.0	1,309.1
1.2	Shareholders' equity attributable to minority interests	3,414.4	3,272.0
2	OTHER PROVISIONS	1,823.1	1,826.2
3	INSURANCE PROVISIONS	321,073.2	309,593.5
	of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds	35,613.9	34,122.0
4	FINANCIAL LIABILITIES	51,289.5	50,386.5
4.1	Financial liabilities at fair value through profit or loss	11,044.2	10,294.5
	of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds	9,103.0	8,271.9
4.2	Other financial liabilities	40,245.2	40,092.1
	of which subordinated liabilities	6,409.7	6,422.3
5	PAYABLES	8,632.6	7,381.4
5.1	Payables arising out of direct insurance operations	4,302.0	3,602.0
5.2	Payables arising out of reinsurance operations	845.4	763.5
5.3	Other payables	3,485.1	3,015.8
6	OTHER LIABILITIES	37,138.2	34,705.1
6.1	Liabilities directly associated with non-current assets and disposal groups classified as held for sale	26,303.6	25,307.4
6.2	Deferred tax liabilities	4,588.6	3,908.0
6.3	Tax payables	1,289.3	1,012.9
6.4	Other liabilities	4,956.7	4,476.7
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	441,372.4	423,816.9

INCOME STATEMENT

		31/03/2010	31/03/2009
1.1	Net earned premiums	17,800.4	16,129.1
1.1.1	Gross earned premiums	18,410.8	16,737.6
1.1.2	Earned premiums ceded	-610.4	-608.6
1.2	Fee and commission income and income from financial service activities	311.2	233.4
1.3	Net income from financial instruments at fair value through profit or loss of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds	1,512.4	-1,017.4
		757.7	-1,238.4
1.4	Income from subsidiaries, associated companies and joint ventures	8.8	58.0
1.5	Income from other financial instruments and land and buildings (investment properties)	3,768.9	3,647.6
1.6	Other income	613.5	859.3
1	TOTAL INCOME	24,015.2	19,910.0
2.1	Net insurance benefits and claims	18,285.7	13,216.6
2.1.1	Claims paid and change in insurance provisions	18,668.4	13,572.1
2.1.2	Reinsurers' share	-382.7	-355.4
2.2	Fee and commission expenses and expenses from financial service activities	97.7	83.6
2.3	Expenses from subsidiaries, associated companies and joint ventures	6.1	0.5
2.4	Expenses from other financial instruments and land and buildings (investment properties)	868.6	2,517.8
2.5	Acquisition and administration costs	2,981.3	2,940.7
2.6	Other expenses	870.8	929.6
2	TOTAL EXPENSES	23,110.2	19,688.9
	EARNINGS BEFORE TAXES	905.0	221.1
3	Income taxes	294.5	62.3
	EARNINGS AFTER TAXES	610.5	158.9
4	RESULT OF DISCONTINUED OPERATIONS	15.0	0.0
	CONSOLIDATED RESULT OF THE PERIOD	625.5	158.9
	Result of the period attributable to the Group	527.0	103.8
	Result of the period attributable to minority interests	98.5	55.1