



GENERALI
Assicurazioni Generali S.p.A.



JOINT PRESS RELEASE

GENERALI & PPF GROUP SIGN CLOSING AGREEMENT; GENERALI PPF HOLDING BEGINS OPERATIONS AS A LEADING INSURER IN THE CEE REGION

Trieste/Amsterdam, 17th January 2008 – Generali and PPF Group, having obtained the regulatory approvals, today signed the closing of the Joint Venture Agreement announced on July 10, 2007. Generali PPF Holding therefore begins operations, with its main organizational branch in Prague.

Generali PPF Holding, a joint venture company between Generali (51%) and PPF Group (49%), combines the businesses of both Groups in Central and Eastern Europe, thus creating one of the region's leading insurers, with written premiums of approximately € 2.6 billion in 2006.

Generali PPF Holding plans to operate across 12 Central and Eastern European countries, with more than 9 million customers in the region, and will play a leading role in Czech Republic, Hungary and Slovak Republic.

Sergio Balbinot, Generali Group CEO, becomes the Chairman of Generali PPF Holding. Ladislav Bartonicek, currently Chairman of Ceska pojistovna, becomes CEO of the new holding.

Generali in Central and Eastern Europe

The Generali Group is Europe's third-largest insurer, as well as Italy's market leader, with total premium income in 2006 of more than € 64 billion. In the Central and Eastern Europe the Generali Group up till now was active in insurance and asset management in 10 countries. In this region, in addition to its expanding business performance, it has been pursuing an external growth strategy, with the acquisition of four companies in 2006, in Bulgaria, Croatia, Serbia and Ukraine.

Total premium income in the region amounted to € 1,159 million in 2006, +24.6% over 2005 (62% non-life and 38% life). Net profit was € 48 million. New business value amounted to € 28.9 million, up 66% over the previous year, while the combined ratio stood at 92.8%.

PPF Group and Ceska Pojistovna Group

PPF Group N.V. is an international financial group controlled at 94.36% by Mr. Petr Kellner, a Czech entrepreneur with a strong track record of success. PPF Group has its corporate ownership and decision making structure based in the Netherlands. The group's key holding company that defines strategic decisions regarding the entire group's activities is the Amsterdam-based PPF Group N.V.

PPF as such was established in 1991 and in 1996 it acquired a minority stake in Ceska pojistovna as part of the Czech privatization process. Since then, PPF has in stages acquired full control of Ceska pojistovna and has successfully turned around the formerly State-owned insurer. In addition to its leadership position in the Czech market, Ceska pojistovna has set up green field operations in Slovakia (where it is now the 3rd largest insurer) and in Russia (where it is the 5th largest insurer in the traditional life insurance). In 2006 it also commenced operations in the Ukraine and in Kazakhstan.

Ceska pojistovna Group is a composite insurer based in Prague and with operations in Czech Republic, Russia, Slovakia, Kazakhstan and Ukraine. In 2006, Ceska pojistovna Group had Gross Written Premiums of € 1,505 million of

which 66% were non-life and 34% were life. Net profits in 2006 were € 384 million, including € 115 million of nonrecurring items. New Business Value was €48 million while the net combined ratio was 84.9%.

Transaction summary

The agreement values 100% of Ceska pojistovna Group at €3.6 billion and Generali's current CEE operations at €1.5 billion. The agreement also entails a cash payment by Generali to PPF Group of €1.1 billion to be fully financed from Generali's existing resources, in order for Generali to own, on deal completion, 51% of JV, with PPF Group holding the remaining 49% share. PPF Group will have a time-limited earn out – based on performance above a hurdle - for the JV shares acquired by Generali under the cash settlement.

Generali PPF Holding plans to operate across 12 Central and Eastern European countries at the beginning: the Czech Republic, the Slovak Republic, Poland, Hungary, Romania, Bulgaria, the Ukraine, Russia, Serbia, Slovenia, Croatia and Kazakhstan

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