



PRESS RELEASE

GENERALI GROUP: PRESENTATION OF 2005 FIRST HALF RESULTS AND IFRS RESTATED 2005 TARGETS

KEY PERFORMANCE RATIO SHOWS IMPROVEMENT

- **NORMALISED ROEV IMPROVES TO 12.1% (END OF 2004: 11.2%)**
- **EMBEDDED VALUE GROWS BY 5.5% TO € 24,140 MILLION (END OF 2004: 22,872 MILLION)**
- **LIFE NET MARGINS IMPROVE BY 1.5 P.P. TO 18% (2004 H1: 16.5%)**
- **EXCESS CAPITAL STABLE AT € 1.6 BILLION WITH RESPECT TO 2004 YEAR-END**

PREMIUM TARGET FOR 2005 RISES TO € 58.8 BILLION

London, October 4th, 2005. At a meeting with the financial community to be held in London this afternoon, Generali's joint CEOs Sergio Balbinot and Giovanni Perissinotto will present the detail of the the Group's results for the first half 2005.

The market will also be provided with the targets for 2005, restated according to the new international accounting principles (IAS/IFRS).

Specifically, the Group decided to raise the premium target for 2005 to € 58.8 billion from the previous target of € 56.4 billion, taking into account both the premium growth in the first part of this year and the reclassification as investment contracts of a number of life policies under IAS/IFRS.

	Target 2005 Italian Gaap	Target 2005 IAS/IFRS
Combined Ratio	100.3%	98.9%
Net profit (mln)	1,508	1,785
Value of new business production (mln)	660	660
Embedded Value (bn)	25.7	25
RoEV normalised	11.9%	11.9%

The Group has decided to implement more conservative IAS/IFRS principles also for the calculation of the Embedded Value (EV) by including the deficit in the Group's pension schemes (IAS 19) and in the recognition of deferred taxes on temporary differences (IAS 12).

As a consequence of this choice, the Embedded Value in 2004 amounted to € 22,872 million (€ 23,503 million under Italian Gaap). Of the € 631 million decrease, € 411 million was due to pensions and € 220 million to deferred taxes.

2005 H1 Financial results

2005 H1 **Embedded Value** (EV) was € 24,140 million growing by € 1,268 million (+5,5%; 2004: € 22,872 million). The EV per share was € 18.93.

The **Normalised Return on Embedded Value** (RoEV), the Group's principal performance indicator, which measures value created for shareholders, increased to 12.1% (2004:11.2%). This RoEV figure was driven by a substantial increase in the value of new life business production and an improving combined ratio in non-life business.

The **value of new business production**, including asset gathering – as already stated - reached € 385 million, with a growth of 30% (2004 H1: € 296 million).

Specifically, the value of new life business production increased 26% to € 353 million (2004 H1:€ 280 million) with an increase in **net margins by 1.5 p.p. to 18%** (2004H1:16.5%). A significant contribution to the increase in net margins resulted from decisive actions taken to focus on profitability through product innovation and cost cutting. The value of new asset gathering production reached € 32 million (2004H1: € 16 million).

Excess capital was stable at € 1.6 billion with respect to the end of 2004, as the strong increase in new business volume absorbed the increased capital generated.

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