02/08/2012

PRESS RELEASE

Consolidated results at 30 June 2012[1]

Net profit up to € 842 mln (+4.5%) with the operating result stable at € 2.34 bn despite significant catastrophic events

Total gross premiums € 35.6 bn (+2%), driven by Non-Life business (+5.2%)

Shareholders' equity up to € 17.4 bn (+12.1% from YE 2011). Solvency I at 130% (117% YE 2011)

2012 Outlook: improved operating result compared with 2011

- **Life.** Operating result rose to € 1.7 bn (+3.1%). New business margins up to 21.6% (20.4% YE 2011)
- Life premiums € 23.2 bn (+0.4%) with strong growth in Central-Eastern Europe and Latin America. Improvement in savings products (+0.9%) and protection covers (+4.1%)

- **Non-Life.** Premiums € 12.4 bn (+5.2%) with a healthy performance in all lines of business, thanks to performances in Germany, CEE Countries and Latin America. Non-motor premiums +6.5%; motor premiums +2.6%
- Operating result € 755 mln (-5.9%), reflecting a € 222 mln increase in the impact of catastrophic events
- Combined ratio 97.1% (96.5% 1H11), impacted by a 2.1 p.p increase in catastrophe-related claims

- **Financial services.** Operating result € 211 mln (+2.4%) with third-party assets under management up to € 90.7 bn (+7.6% from YE 2011)

[1] The change of written premiums, net cash inflow, APE and NBV is on equivalent terms (on equivalent exchange rates and consolidation area). The change of operating results is calculated excluding Migdal group from the comparative period. Unless otherwise stated, changes refer to 1H 2011.

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Milan – At a meeting chaired by Gabriele Galateri di Genola, the Board of Directors of Assicurazioni Generali approved the consolidated results at 30 June 2012.

In an economic and financial scenario that gradually worsened during the second quarter, due to the severe pressure on sovereign debt and uncertainty over the stability of the euro, the Generali Group closed the first half with an improvement in **net profit** to € 842 million (+4.5%, € 806 million 1H11), and strong progress in the second quarter (+44.5% from 2Q11). Factors contributing to the half-year result were growth in premiums, excellent operating performance with an improvement in non-catastrophic and Life technical margins, and the result for financial operations.

The Group's strategic focus on the development of its proprietary networks and product innovation fuelled growth in **total gross premiums** to € 35,648 million (+2%), of which 73% came from outside Italy. Production was driven by Non-Life premiums (€ 12,418 million; +5.2%), which improved across all lines of business. Life premiums totalled € 23,230 million (+0.4%), reflecting high premium quality thanks to a better production mix; this was also seen in the growth in new business margins to 21.6% (20.4% YE 2011).

The **overall operating result**, at € 2,343 million (-0.1%), reached the excellent levels of the first half of 2011, despite the sharp decline in the economic and financial environment and the significant impact of catastrophic events.

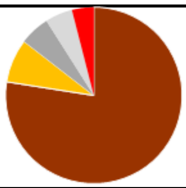
Operating performance was buoyed by the Life operating result, which rose to € 1,651 million (+3.1%) with an acceleration in the second quarter (+11.4%). Both the technical margin and the financial margin improved.

The Non-Life operating result was € 755 million (-5.9%), reflecting the impact of severe catastrophic events for € 255 million – of which € 155 million related to the earthquake in Emilia Romagna – compared with € 33 million in the first half of 2011. Catastrophes had an impact of 2.4 percentage points on the **combined ratio** which was 97.1% (96.5% 1H11, with catastrophe-related claims accounting for 0.3 p.p.). Net of catastrophic events in both periods, the ratio improved by 1.5 percentage points, thanks to control of expenditure, premium growth and a prudent underwriting policy.

The **non-operating result** showed an improvement of 20%, benefiting in particular from the decrease in impairment losses of € 179 million.

The Group results were accompanied by an improvement in the capital structure, with **shareholders' equity** rising to € 17,359 million (+12.1% from YE 2011), thanks specifically to the improvement in the reserve for net gains on available-for-sale financial assets. The trend was also reflected in an improvement in the **Solvency I** ratio, to 130% (117% YE 2011), with a surplus of € 5.4 billion.

Own investments



	30/06/2012	31/12/2011
Fixed-income instruments	80.3%	77.6%
Cash and cash equivalents	6%	7.9%
Equities	5.1%	5.5%
Real estate	4.8%	4.9%
Other	3.9%	4%
Total own investments	**€ 317 billion**	**€ 311 billion**

Investment policy continued to be based on prudent asset allocation, designed to consolidate current margins and reduce capital absorption. Inside the euro zone in particular, the Group continues to pursue a de-risking policy with the aim of reducing cross-border exposure by ensuring that investments in bonds at a country level cover local liabilities. Consistent with this policy, the proportion of fixed-income instruments increased and equities decreased. The proportion of investments in real estate decreased in the Non-Life segment and increased in the Life segment.

OUTLOOK

In the **Life segment** the Group expects to confirm the premium levels of 2011. For Life new business, the strategic focus will remain on selling products aligned with current financial conditions, which accordingly have reduced capital absorption and good technical margins. On this front, the Group will continue to update the guarantees in its traditional insurance contracts to ensure margins are in line with expectations in all regions where it operates. Nevertheless, the stabilisation of the financial markets and a return to economic growth are necessary for the Life business to be able to resume growth.

In the **Non-Life lines**, the Group expects to report premium growth from both the Non-Motor and the Motor businesses. Considering the impact of catastrophic events in this period, overall technical margins are expected to improve with respect to the first half of 2012, in the absence of new catastrophic events, through maintaining current operating efficiency levels and the persisting effects of the tariff and claims management policies implemented by the Group.

Based on the scenario described above, in the absence of additional extraordinary factors and in light of the first-half results, **the Group expects to report an improvement in its full-year operating result relative to 2011.**

LIFE SEGMENT

Life gross premiums written grew (+0.4%) to € 23,230 million, with particularly significant progress in savings products (+0.9%) and protection covers (+4.1%), which counterbalanced the decline in linked products (-5.7%) caused by market volatility.

Looking at the Group's main areas of operation, the growth trend in Life production continued in the CEE countries (+5.2%), driven by all lines of business, in France (+3.2%) and in Switzerland

(+6.6%). Strong growth was registered in Latin America (+13.2%), thanks to savings income. In Italy aggregate premiums (-3.8%) were affected by the trend in single premiums, which was closely linked to market conditions, while there was strong growth in individual pension products (+16.3%), assisted by the many initiatives organised by the Group in the sector. Group policies and pension funds also made a positive contribution (+12.1%).

New business in terms of **APE** totalled € 2,280 million (-4.8%). The trend was attributable, in particular, to performances in Italy (-8.5%) and Germany (-17.9%) and the strategy to focus on new business margins, as reflected in the growth of margins. New business value (NBV) was € 493 million (-2%).

Life segment

€ million	Premiums		NBM	
	30/06/2012	**Δ 1H12–1H11**	**30/06/2012**	**Δ 1H12 – FY11**
Italy	6,069	-3.8%	23.8%	+2 p.p.
France	5,465	+3.2%	12.5%	-1.2 p.p.
Germany	6,527	-3%	20.7%	+2.4 p.p.
CEE	842	+5.2%	35%	-0.8 p.p.
Total	**23,230**	**+0.4%**	**21.6%**	**+1.2 p.p.**

Life net inflows were negative, at € -378 million, as a result of the decision not to renew high-premium contracts with margins deemed no longer in line with Group expectations, especially in France, Italy and Spain. Not considering this component, Group net inflows would have been more than € 2 billion, confirming the quality of the Group networks despite the particularly difficult market conditions.

NON-LIFE SEGMENT

With regard to the premium income, Non-Life premiums made significant progress to € 12,418 million (+5.2%), thanks in particular to the Non-Motor lines and contributions from all the main countries where the Group operates. Strong premium growth was reported in Germany (+7.1%) and in the CEE countries (+8.2%) where the performance of the Non-Motor lines was notable (+20.4%). In France key factors contributing to premiums (+2.6%) were the Personal lines (+8.7%) and the Commercial lines (+3.3%) in the Non-Motor business. The trend in Latin America (+41.3%) was very positive, thanks to the excellent performance of the Motor segment.
The Group Assistance segment, which reports to the French holding, registered growth of 9.8%. Production in Italy remained high and substantially stable (-0.9%) despite the planned withdrawal from some group policies with inadequate margins.

Looking at Non-Life profitability, the combined ratio was 97.1% (96.5% 1H11) as a result of the increase in catastrophe-related claims mentioned earlier, especially in Germany and Italy.
The loss ratio increased by 0.6 p.p. to 69.5%, adversely affected by catastrophic events accounting for 2.4 percentage points. Expenditure was stable, with the expense ratio at 27.6% (27.6% 1H11).
In geographical terms, the Central-Eastern Europe countries confirmed their high margins with a combined ratio of 87.5%, a market leading performance.

Non-Life segment

	Premiums (€ mln)		Combined Ratio	
	30/06/2012	Δ	30/06/2012	Δ
Italy	3,582	-0.9%	99.7%	+2.6 p.p.
France	2,240	+2.6%	98.4%	-0.1 p.p.
Germany	1,987	+7.1%	95.8%	+0.5 p.p.
CEE	1,228	+8.2%	87.5%	-0.7 p.p.
Total	**12,418**	**+5.2%**	**97.1%**	**+0.6 p.p.**

The technical reserves of the Non-Life segment rose to € 31,626 million (+5.3%).

FINANCIAL SERVICES

The operating result in financial services rose to € 211 million (+2.4%), assisted in particular by the stronger performance in financial management. At the end of June, assets under management stood at € 430,836 million (€ 424,433 million at 31 December 2011), including third-party assets of € 90,666 million (€ 88,207 million at 31 December 2011), an improvement of 7.6%.

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.

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 basis used to compute Life new business value.

Combined Ratio = loss ratio plus expense ratio: acquisition expenses + general expenses) divided by retained premiums.

New Business Value = expected present value, on issue, of future profits arising from new Life business in the period, net of the cost of capital .

Operating Result was obtained by reclassifying the components making up the pre-tax profit for the year in each line of business on the basis of the specific characteristics of each 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 discontinued operations, corporate 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, including gains and losses of foreign currency; in the **Financial segment**, realised gains and losses and net impairment losses on strategic equity investments and investments. 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.

Attachments: consolidated income statement and balance sheet for the first half of 2012.

THE GENERALI GROUP

The Generali Group is one of Europe's largest insurance providers and the biggest European life insurer, with 2011 total premium income of almost € 70 billion. It is also one of the world's top asset managers and a unique real estate operator. With 82,000 employees worldwide and 65 million clients in more than 60 countries, the Group occupies a leadership position on Western European markets and an increasingly important place in Eastern Europe and Asia.

BALANCE SHEET - ASSETS

		(€ million)	30/06/2012	31/12/2011
1		**INTANGIBLE ASSETS**	**10,014.8**	**10,433.8**
	1.1	Goodwill	7,266.6	7,394.4
	1.2	Other intangible assets	2,748.3	3,039.4
2		**TANGIBLE ASSETS**	**4,864.6**	**4,906.4**
	2.1	Land and buildings (self used)	3,000.4	3,071.6
	2.2	Other tangible assets	1,864.2	1,834.8
3		**AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS**	**5,745.3**	**5,678.0**
4		**INVESTMENTS**	**350,420.7**	**346,655.5**
	4.1	Land and buildings (investment properties)	12,917.3	13,081.7
	4.2	Investments in subsidiaries, associated companies and joint ventures	1,943.7	1,904.8
	4.3	Held to maturity investments	7,671.9	5,293.3
	4.4	Loans and receivables	70,867.8	77,090.3
	4.5	Available for sale financial assets	192,602.9	175,649.1
	4.6	Financial assets at fair value through profit or loss	64,417.1	73,636.2
		of which financial assets where the investment risk is borne by the policyholders and related to pension funds	50,209.8	58,312.0
5		**RECEIVABLES**	**13,425.7**	**11,255.1**
	5.1	Receivables arising out of direct insurance operations	9,465.3	8,196.0
	5.2	Receivables arising out of reinsurance operations	1,145.1	1,010.8
	5.3	Other receivables	2,815.3	2,048.2
6		**OTHER ASSETS**	**32,453.1**	**18,568.5**
	6.1	Non-current assets or disposal groups classified as held for sale	17,901.4	148.0
	6.2	Deferred acquisition costs	2,197.5	2,013.4
	6.3	Deferred tax assets	2,791.1	6,843.1
	6.4	Tax receivables	2,923.4	2,736.6
	6.5	Other assets	6,639.6	6,827.5
7		**CASH AND CASH EQUIVALENTS**	**20,343.8**	**25,559.9**
		TOTAL ASSETS	**437,268.0**	**423,057.2**

BALANCE SHEET - SHAREHOLDERS' EQUITY AND LIABILITIES

		(€ million)	30/06/2012	31/12/2011
1		**SHAREHOLDERS' EQUITY**	**20,096.3**	**18,120.5**
	1.1	**Shareholders' equity attributable to the Group**	**17,359.3**	**15,485.6**
	1.1.1	Share capital	1,556.9	1,556.9
	1.1.2	Other equity instruments	0.0	0.0
	1.1.3	Capital reserves	7,097.9	7,097.9
	1.1.4	Revenue reserves and other reserves	8,697.3	8,153.6
	1.1.5	(Own shares)	-403.4	-403.4
	1.1.6	Reserve for currency translation differences	688.3	614.9
	1.1.7	Reserve for unrealized gains and losses on available for sale financial assets	-821.1	-2,155.5
	1.1.8	Reserve for other unrealized gains and losses through equity	-298.2	-234.9
	1.1.9	Result of the period	841.6	856.1
	1.2	**Shareholders' equity attributable to minority interests**	**2,737.0**	**2,635.0**
	1.2.1	Share capital and reserves	2,532.0	2,404.2
	1.2.2	Reserve for unrealized gains and losses through equity	34.2	-65.8
	1.2.3	Result of the period	170.8	296.6
2		**OTHER PROVISIONS**	**1,342.0**	**1,386.2**
3		**INSURANCE PROVISIONS**	**318,591.0**	**324,990.1**
		of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds	38,068.6	46,849.8
4		**FINANCIAL LIABILITIES**	**62,594.8**	**59,133.4**
	4.1	Financial liabilities at fair value through profit or loss	15,189.2	14,539.3
		of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds	12,183.4	11,340.2
	4.2	Other financial liabilities	47,405.6	44,594.1
		of which subordinated liabilities	6,605.1	6,610.9
5		**PAYABLES**	**8,863.0**	**7,607.0**
	5.1	Payables arising out of direct insurance operations	4,374.7	3,578.4
	5.2	Payables arising out of reinsurance operations	752.3	725.3
	5.3	Other payables	3,735.9	3,303.3
6		**OTHER LIABILITIES**	**25,780.9**	**11,820.0**
	6.1	Liabilities directly associated with non-current assets and disposal groups classified as held for sale	16,905.3	0.0
	6.2	Deferred tax liabilities	2,559.6	5,949.2
	6.3	Tax payables	1,473.2	1,339.1
	6.4	Other liabilities	4,842.8	4,531.7
		TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**437,268.0**	**423,057.2**

INCOME STATEMENT

		30/06/2012	30/06/2011
1.1	Net earned premiums	31,650.2	32,072.0
1.1.1	Gross earned premiums	33,031.7	33,418.2
1.1.2	Earned premiums ceded	-1,381.5	-1,346.2
1.2	Fee and commission income and income from financial service activities	645.3	706.2
1.3	Net income from financial instruments at fair value through profit or loss	1,670.3	-322.5
	of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds	1,293.5	-555.5
1.4	Income from subsidiaries, associated companies and joint ventures	40.4	102.1
1.5	Income from other financial instruments and land and buildings (investment properties)	8,769.4	8,211.8
1.5.1	Interest income	5,146.7	5,210.4
1.5.2	Other income	1,064.2	1,189.5
1.5.3	Realized gains	2,464.6	1,698.0
1.5.4	Unrealized gains and reversal of impairment losses	93.9	113.9
1.6	Other income	1,039.3	1,207.6
1	**TOTAL INCOME**	**43,814.9**	**41,977.2**
2.1	Net insurance benefits and claims	-30,995.0	-29,289.0
2.1.1	Claims paid and change in insurance provisions	-31,910.3	-29,984.2
2.1.2	Reinsurers' share	915.3	695.2
2.2	Fee and commission expenses and expenses from financial service activities	-250.1	-228.7
2.3	Expenses from subsidiaries, associated companies and joint ventures	-4.3	-362.6
2.4	Expenses from other financial instruments and land and buildings (investment properties)	-3,698.8	-2,984.6
2.4.1	Interest expense	-661.7	-628.0
2.4.2	Other expenses	-201.9	-190.4
2.4.3	Realized losses	-2,064.0	-663.6
2.4.4	Unrealized losses and impairment losses	-771.2	-1,502.6
2.5	Acquisition and administration costs	-5,853.5	-5,918.1
2.5.1	Commissions and other acquisition costs	-4,215.1	-4,211.4
2.5.2	Investment management expenses	-50.6	-52.0
2.5.3	Other administration costs	-1,587.8	-1,654.7
2.6	Other expenses	-1,477.8	-1,791.0
2	**TOTAL EXPENSES**	**-42,279.4**	**-40,574.0**
	EARNINGS BEFORE TAXES	**1,535.5**	**1,403.2**
3	Income taxes	-550.2	-433.6
	EARNINGS AFTER TAXES	**985.3**	**969.7**
4	**RESULT OF DISCONTINUED OPERATIONS**	**27.1**	**-1.1**
	CONSOLIDATED RESULT OF THE PERIOD	**1,012.4**	**968.6**
	Result of the period attributable to the Group	**841.6**	**805.5**
	Result of the period attributable to minority interests	**170.8**	**163.1**
	EARNINGS PER SHARE:		
	Earnings per share (in €)	0.55	0.52
	from continuing operation	0.53	0.52
	Diluted earnings per share (in €)	0.55	0.52
	from continuing operation	0.53	0.52