



Consolidated results at 30 June 2011¹

05/08/2011

**PRESS
RELEASE**

Continued improvement in Generali's operational performance. Operating result at more than € 2.4 bln (+12.7%), driven by the Non-Life business segment (+36.3%)

Net profit of € 806 mln (€ 873 mln in 1H10) after non-recurring net impairment losses of € 283 mln on Greek bonds and the equity investment in Telco

- Non-Life operating result of € 799 mln (+36.3%); combined ratio improves by 2.3 p.p. to 96.5% (98.8% in 1H10), with increased contribution from the Motor segment
- Life operating result of € 1.7 bln (+6.1%), driven by rising technical and financial margins
- Financial segment operating result of € 211 mln (+3.8%), driven by growth in private banking in the Asian business
- Non-Life premiums increase to € 12 bln (+2%), due to the progress made in the motor and retail lines
- Life premiums at € 23.8 bln (-9.5%). A focus on higher profitability products with growth in annual premiums (+4.5%). Life New Business Value (NBV) up to € 525 mln (+7.3% on a like-for-like basis) with margins improving to 20.9% (17.8% in 1H10)

Generali Group CEO **Giovanni Perissinotto** said: *"Once again Generali has demonstrated its solidity and the ability to increase its operational performance even in periods of high market tension and volatility. Furthermore, in this difficult economic and financial climate, the diversification and solidity of our investments enabled the Group to keep its shareholders' equity stable. We continue our strategy of expansion in markets with high growth potential and our focus on efficiency improvements in the core European countries. Following the positive evidence shown by all our business lines as of today, we are confident that we will reach our full-year target of an operating result of between €4-4.7 billion."*

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Conference call on 1H2011 results at 4:00 p.m. CET today, on +39 02 8058827 (listen only), or via the website www.generali.com

¹ Unless explicitly stated otherwise, changes are relative to the first semester of 2010 and are calculated on historic basis.

Milan – At a meeting today chaired by Gabriele Galateri di Genola, the Board of Directors of Assicurazioni Generali approved the consolidated results as at 30 June 2011.

In a first half marked by severe market pressures as a result of worsening sovereign debt risk in a number of countries with high public debt, the Generali Group achieved an impressive operating performance, driven by an excellent Non-Life result and the best half-year Life result for the last four years benefiting from rising technical and financial margins. A positive contribution also came from the financial segment, supported in particular by sound results from the growth in private banking. The total operating result at 30 June of € 2.4 billion (+12.7%) also reflected a stronger pace of growth in the second quarter, with robust progress in Italy, France and Eastern Europe.

The impetus provided by the operating result helped the Group achieve a high net profit of € 806 million (-7.7%; € 873 million in 1H10), despite the net impact of non-recurring impairment losses, stemming in particular from Greek government securities (€ 140 million) and the equity investment in Telco (€ 143 million).

Specifically, after the recent proposal for the sovereign debt restructuring in Greece, the Group decided to recognise an impairment loss on the Greek government securities maturing by 2020 (more than 70% of overall exposure in Greek bonds). The average loss, determined on the basis of financial market prices at 30 June, was approximately 47% of the securities' value. For the equity investment in Telco, a holding company that owns 22.4% of Telecom Italia, the impairment loss was determined on an implicit Telecom Italia per share value of € 1.8. Excluding these non-recurring items, net profit would have risen by 24.7% to € 1.089 million.

Looking at our operating performance, the result in the **Non-Life** segment rose by 36.3%, reflecting high technical profitability. The combined ratio improved by 2.3 percentage points to 96.5% (98.8% in 1H10), thanks to a decrease in the loss ratio especially in Italy, Eastern Europe and Spain, and to action to contain holding expenses.

The operating result remained high in the **Life** segment at almost € 1.7 billion, an improvement of 6.1% driven in particular by investment management, stronger technical margins and control of expenditure. The Life segment reported growth on almost all Group markets, with good progress in France. The operating result in the **financial** segment also improved (+3.8%), thanks in particular to the healthy results generated by the international growth of BSI.

Total operating result by geographical region

€ mln	30/06/2011	30/06/2010	Δ
Italy	996	932	+6.9%
France	454	344	+32.0%
Germany	321	364	-11.9%
CEE	256	216	+18.5%
Total operating result*	2,408	2,136	+12.7%

*Including holding expenses and consolidation adjustments

On the production front, overall gross premiums amounted to € 35,853 million (-6%; € 38,129 million 1H10), recovering from the first quarter of the year (-8.3%). The premium trend was attributable to the Life segment (-9.5%), after the reduction in single premiums as part of the

Group strategy favouring products with higher margins and a better return on invested capital. Annual premiums, on the contrary, rose +4.5%.

The improved production mix led to an **increase in Life New Business Value** (NBV) to € 525 million (+7.3% on a like-for-like basis) with higher margins. The New Business Margin (NBM) rose to 20.9% from 17.8% in the first half of 2010 and 19.7% at the end of 2010.

The first half confirmed the growth as from the second half of 2010 in Non-Life premiums, which reached € 12,011 million (+2%). This reflected progress in the Motor business (+2.5%) in Italy, France and Germany, and an acceleration in the Non-Motor lines, which reported an improvement of 1.4% thanks to the retail business.

The Group maintained a **solid capital position** in the first half, with shareholders' equity substantially stable at € 17,231 million (-1.5%; € 17,490 million at the end of 2010). The Solvency I ratio rose to 134% (132% at the end of 2010). In the first half the Group reported an increase in Embedded Value from € 26,968 million at the end of 2010 to € 27,983 million in the first half, driven by the improvement in the combined ratio and Life NBV. Normalised RoEV was 12%.

OUTLOOK

Considering the current financial and macroeconomic scenario, the Life segment expects to report a good quality of net inflows, although amounts will be lower than in 2010. Group underwriting will continue to prefer products with lower capital absorption and higher returns in terms of NBV, in order to confirm/improve new business technical margins, assisted by the cost-cutting policy.

For the Non-Life lines, the Group expects to confirm its 2010 premium growth rates, arising not only from Non-Motor business performance but also from the upturn in the Motor business. Should catastrophic events remain at a physiological level, overall technical margins are expected to improve as current operating efficiency levels are maintained and the effects of the Group's tariff and claims management policies continue.

Financial and real estate investment policy will continue to be based on prudent asset allocation aimed at consolidating current margins and reducing capital absorption.

Based on this scenario, Group operating margins are expected to improve in both the Life and the Non-Life segment.

LIFE SEGMENT

New Life production

€ mln	APE		NBV		APE margins
	30/06/2011	Δ*	30/06/2011	Δ*	30/06/2011
Italy	863	+0.3%	180	+29.4%	20.9%
France	532	-20.7%	75	+6.9%	14.1%
Germany	488	-6.3%	84	+3.2%	17.3%
CEE	81	-1.5%	25	-15%	31.1%
Total	2,513	-9.4%	525	+7.3%	20.9%

*Δ on a like-for-like basis

New business in terms of **APE** remained high at € 2,513 million, although the amount was lower (-9.4% on a like-for-like basis; € 2,784 million in 1H10) as a result of the planned reduction to support underwriting of products with lower capital absorption and higher margins. The downturn eased compared with the first quarter of the year, when the reduction was 14.5% on a like-for-like basis.

For the half year, performance was attributable to the reduction in single premiums (-23.9% on a like-for-like basis), while annual premiums rose by 2.9% on a like-for-like basis. The decrease in single premiums was particularly marked in France and Ireland, where extraordinary growth was reported in 2010. In Italy, there was significant progress in new business for annual premiums (+12.3%).

Life net technical reserves rose by 1.7% to € 318,638 million (€ 313,348 million at the end of 2010) with a positive contribution both from traditional business and from unit-linked products.

NON-LIFE SEGMENT

Gross written premiums rose to € 12,011 million (+2.0%; € 11,778 million in 1H10). This reflected growth in the Motor and Non-Motor segments in all business lines, with the exception of the Corporate segment, which was more greatly affected by the difficult macroeconomic situation. Growth was reported in all the main markets, especially France (+2.6%), Germany (+1.5%) and Eastern Europe (+1.4%). Italy's contribution was stable (+0.1%), with growth in the Motor business (+3.1%).

Combined Ratio

%	30/06/2011	30/06/2010	Δ
Italy	97.2%	99.5%	-2.3 p.p.
France	98.5%	99.8%	-1.3 p.p.
Germany	95.3%	95.9%	-0.6 p.p.
CEE	88.2%	92.9%	-4.7 p.p.
Total	96.5%	98.8%	-2.3 p.p.

Technical margins showed a positive trend in the combined ratio in all the main Group markets with the loss ratio down by 2 percentage points to 68.9%, thanks to the improvement in Italy, France and Germany stemming from the Motor segment and in Eastern Europe from the lower impact of natural catastrophes. The expense ratio was down by 0.3 percentage points to 27.6%

with an overall reduction in administrative and acquisition costs, especially in France and Germany.

Non-Life technical reserves rose to € 31,183 million (+3.1%; € 30,236 million at the end of 2010).

FINANCIAL SERVICES

The operating result in financial services rose to € 211 million (+3.8%), thanks to the progress achieved by the **BSI Group**, which reported a 24.6% improvement in its operating result, partly showing the first benefits of the development plans in Asia.

Generali Group third-party assets under management totalled € 92 billion, an increase of 1.4% on a like-for-like basis from the end of 2010.

The improvement in the operating result was driven by the net investment result, defined as the intermediation margin net of net losses arising from the valuation of financial instruments. Specifically, there was an improvement in the intermediation margin (the sum of net commissions, net interest income and other financial components). The increase was generated by higher net commissions, thanks in particular to the rise in third-party assets under management (+2.8% from 1H10), and the improvement in net interest margin, which benefited from the rise in market rates.

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 base used to compute Life new business value.

Combined Ratio = loss ratio plus expense ratio (acquisition and administration expenses) divided by net earning 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 assets 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 segment (value of business acquired, 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 which did not affect the statutory reserves to the extent they were not included in the deferred policyholders liability and those on shareholders' fund; 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.

Attachments: significant data, consolidated income statement and consolidated balance sheet for the first half of 2011.

The Generali Group is one of Europe's largest insurance providers and the biggest European Life insurer, with 2010 total premium income of more than €73 billion. It is also one of the world's top asset managers with assets of over € 400 billion in 2010, 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 more than 60 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, an Aa3 Moody's rating, an AA- Fitch rating and an A+ A.M. Best rating.

Economic Highlights

(€ million)	30/06/2011	30/06/2010	Change	Change like for like ^(*)
Group				
Gross written premiums ^(**)	35,852.9	38,128.8	-6.0%	-6.3%
Expense ratio	16.1%	14.9%	1.2	
Acquisition costs / Net premiums	12.7%	11.8%	0.9%	
Administration costs / Net premiums	3.4%	3.1%	0.3%	
Consolidated operating result^(***)	2,408.2	2,135.9	12.7%	
Result of the period	805.5	872.9	-7.7%	
Life segment				
Gross life written premiums ^(**)	23,842.4	26,351.1	-9.5%	-9.8%
Net cash inflows	4,818.4	9,600.7	-49.8%	-50.1%
APE	2,512.6	2,784.0	-9.8%	-9.4% ^(****)
Expense ratio - life segment	11.0%	9.8%	1.2	
Acquisition costs / Net premiums	8.7%	7.9%	0.9%	
Administration costs / Net premiums	2.3%	1.9%	0.3%	
Operating result - life segment	1,663.3	1,568.0	6.1%	
Non-life segment				
Gross non-life written premiums	12,010.5	11,777.7	2.0%	1.6%
Expense ratio - non-life segment	27.6%	27.9%	-0.3	
Acquisition costs / Net earned premiums	21.7%	21.9%		
Administration costs / Net earned premiums	5.9%	6.1%		
Loss ratio - non-life segment	68.9%	70.8%	-2.0	
Combined ratio - non-life segment	96.5%	98.8%	-2.3	
Operating result - non-life segment	798.8	586.0	36.3%	
Financial segment				
Cost income ratio	68.5%	68.4%	0.1	
Operating result - financial segment	210.5	202.8	3.8%	

(*) On equivalent terms: on equivalent exchange rates and consolidation area compared to the same period of the previous financial year.

(**) Taking into account premiums related to investment contracts.

(***) Net of holding expenses and consolidation adjustments.

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

Financial Highlights

(in milioni di euro)	30.06.2011	31.12.2010	Variazione	Var. omogenea ⁽¹⁾
Investimenti complessivi	375,188.4	372,073.5	0.8%	
Asset under management	91,869.1	92,980.1	-1.2%	1.4%
Passività verso gli assicurati ⁽²⁾	349,820.5	343,583.7	1.8%	
Patrimonio netto di Gruppo	17,231.4	17,489.8	-1.5%	
Solvency I ratio	134%	132%	2.0	

(1) On equivalent terms: on equivalent exchange rates and consolidation area compared to the same period of the previous financial year.

(2) Taking into account financial liabilities related to policies of the life segment and excluding deferred policyholders liabilities.

BALANCE SHEET - ASSETS

		30/06/2011	31/12/2010
1	INTANGIBLE ASSETS	10,615.3	10,670.4
1.1	Goodwill	7,432.5	7,415.4
1.2	Other intangible assets	3,182.8	3,255.1
2	TANGIBLE ASSETS	3,626.1	3,796.2
2.1	Land and buildings (self used)	3,057.5	3,211.7
2.2	Other tangible assets	568.6	584.5
3	AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS	5,670.0	5,765.3
4	INVESTMENTS	365,089.4	364,243.3
4.1	Land and buildings (investment properties)	13,788.9	13,232.7
4.2	Investments in subsidiaries, associated companies and joint ventures	2,217.3	2,439.2
4.3	Held to maturity investments	4,179.2	4,544.9
4.4	Loans and receivables	76,910.8	79,740.4
4.5	Available for sale financial assets	193,118.4	188,928.5
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	74,874.9	75,357.6
		50,933.1	50,344.0
5	RECEIVABLES	13,761.1	11,468.0
5.1	Receivables arising out of direct insurance operations	10,171.5	8,643.1
5.2	Receivables arising out of reinsurance operations	1,034.2	889.1
5.3	Other receivables	2,555.4	1,935.9
6	OTHER ASSETS	15,732.1	15,505.8
6.1	Non-current assets or disposal groups classified as held for sale	191.7	198.2
6.2	Deferred acquisition costs	1,933.0	1,885.6
6.3	Deferred tax assets	4,281.7	3,596.3
6.4	Tax receivables	2,335.8	2,626.8
6.5	Other assets	6,989.9	7,198.9
7	CASH AND CASH EQUIVALENTS	13,213.7	10,990.3
	TOTAL ASSETS	427,707.6	422,439.4

BALANCE SHEET - SHAREHOLDERS' EQUITY AND LIABILITIES

		30/06/2011	31/12/2010
1	SHAREHOLDERS' EQUITY	19,838.6	20,064.5
1.1	Shareholders' equity attributable to the Group	17,231.4	17,489.8
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	7,098.3	7,098.3
1.1.4	Revenue reserves and other reserves	8,266.2	7,289.1
1.1.5	(Own shares)	-403.2	-403.3
1.1.6	Reserve for currency translation differences	559.1	557.2
1.1.7	Reserve for unrealized gains and losses on available for sale financial assets	-531.9	-184.4
1.1.8	Reserve for other unrealized gains and losses through equity	-119.4	-125.8
1.1.9	Result of the period	805.5	1,701.9
1.2	Shareholders' equity attributable to minority interests	2,607.2	2,574.7
1.2.1	Share capital and reserves	2,371.5	2,170.3
1.2.2	Reserve for unrealized gains and losses through equity	72.6	88.0
1.2.3	Result of the period	163.1	316.4
2	OTHER PROVISIONS	1,514.8	1,496.5
3	INSURANCE PROVISIONS	333,021.9	329,616.3
	of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds	39,364.3	38,956.1
4	FINANCIAL LIABILITIES	54,771.5	53,903.8
4.1	Financial liabilities at fair value through profit or loss	13,725.6	13,702.1
	of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds	11,466.6	11,206.1
4.2	Other financial liabilities	41,045.9	40,201.7
	of which subordinated liabilities	6,438.7	6,492.9
5	PAYABLES	8,317.4	7,650.0
5.1	Payables arising out of direct insurance operations	4,074.0	3,917.0
5.2	Payables arising out of reinsurance operations	768.4	691.7
5.3	Other payables	3,474.9	3,041.3
6	OTHER LIABILITIES	10,243.4	9,708.4
6.1	Liabilities directly associated with non-current assets and disposal groups classified as held for sale	0.0	0.0
6.2	Deferred tax liabilities	4,071.6	3,753.3
6.3	Tax payables	1,792.4	1,607.1
6.4	Other liabilities	4,379.5	4,348.0
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	427,707.6	422,439.4

INCOME STATEMENT

		30/06/2011	30/06/2010
1.1	Net earned premiums	32,072.0	33,173.9
1.1.1	Gross earned premiums	33,418.2	34,523.5
1.1.2	Earned premiums ceded	-1,346.2	-1,349.6
1.2	Fee and commission income and income from financial service activities	706.2	648.1
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	-309.7	1,226.1
		-391.9	719.3
1.4	Income from subsidiaries, associated companies and joint ventures	102.1	38.1
1.5	Income from other financial instruments and land and buildings (investment properties)	8,234.1	7,959.0
1.6	Other income	1,172.5	1,676.6
1	TOTAL INCOME	41,977.2	44,721.8
2.1	Net insurance benefits and claims	-29,289.0	-33,060.4
2.1.1	Claims paid and change in insurance provisions	-29,984.2	-33,912.3
2.1.2	Reinsurers' share	695.2	851.9
2.2	Fee and commission expenses and expenses from financial service activities	-228.7	-215.6
2.3	Expenses from subsidiaries, associated companies and joint ventures	-362.6	-10.7
2.4	Expenses from other financial instruments and land and buildings (investment properties)	-2,984.6	-2,166.8
2.5	Acquisition and administration costs	-5,918.1	-5,862.2
2.6	Other expenses	-1,791.0	-2,000.4
2	TOTAL EXPENSES	-40,574.0	-43,316.2
	EARNINGS BEFORE TAXES	1,403.2	1,405.6
3	Income taxes	-433.6	-405.4
	EARNINGS AFTER TAXES	969.7	1,000.1
4	RESULT OF DISCONTINUED OPERATIONS	-1.1	16.9
	CONSOLIDATED RESULT OF THE PERIOD	968.6	1,017.1
	Result of the period attributable to the Group	805.5	872.9
	Result of the period attributable to minority interests	163.1	144.2
	EARNINGS PER SHARE:		
	Earnings per share (in €)	0.52	0.57
	from continuing operation	0.52	0.56
	Diluted earnings per share (in €)	0.52	0.57
	from continuing operation	0.52	0.56