



09/11/2012

**PRESS
RELEASE**

Consolidated results at 30 September 2012¹

Overall operating result of € 3,292 mln (+9.4%), driven by Life result (+16.5%)

Total premiums € 51 bln (+1.8%), driven by P&C lines (+4.7%)

Net profit for the 9 months up to € 1.1 bln (+37.3%)

Shareholders' equity increases 24.1% to € 19.2 bln (€ 15.5 bln FY11). Solvency I ratio improves to 140% (130% 1H12; 117% FY11)

- **Life.** Life premiums € 33.5 bln (+0.4%) due to our focus on quality and profitability of the business. Life net inflows positive at € 1.1 bln, after negative 1H12.
- Life operating result € 2,196 mln (+16.5%) with contributions from all the key markets.
- **Property and Casualty.** Premiums € 17.4 bln (+4.7%) with growth in all business lines.
- Combined ratio stable at 96.6% despite 1.3 p.p. increase in impact from catastrophic events.
- P&C operating result € 1,158 mln (-4.3%), with catastrophic events accounting for € 311 mln (€ 96 mln 9M11).
- **Financial services.** Operating result € 320 mln (+17.1%). Third-party assets under management at € 93.2 bln (+10.6% from FY11).

Generali Group CEO **Mario Greco** said: *“These results are testament to the quality of the business and the strength of Generali’s franchise and distribution network. I’m particularly satisfied with our operating result – our key performance indicator – reaching € 3.3 billion. We are confident of achieving a 2012 operating result in excess of € 4 billion, in line with our previously announced target.”*

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¹The change in premiums, net inflows and APE is computed on a like-for-like basis (at constant consolidation area and exchange rates). The change in operating results, own investments and third-party assets under management is computed excluding the Migdal group from the year-earlier comparatives. Unless otherwise stated, changes refer to the first nine months of 2011.

Milan. At a meeting chaired by Gabriele Galateri di Genola, the Board of Directors of Assicurazioni Generali approved the consolidated results for the 9 months to 30 September 2012.

The Generali Group closed the first nine months of the year with strong growth in net profit to € 1,133 million (+37.3%). The result was driven by progress in production and – particularly in the Life segment – by growth in the operating result. The P&C operating result remained robust despite the impact from significant catastrophic events. An additional contributing factor to the profit increase was the improvement in the investment result, due in particular to a reduction in impairment losses.

In an environment where insurance premiums fell in many of the markets in which Generali operates, the Group reported a **positive performance in premiums**, buoyed by the expansion of its proprietary networks and continued product innovation. Total gross premiums rose to € 50,945 million (+1.8%), driven by premiums in the P&C segment (+4.7%) particularly in France, Germany and CEE countries.

In the Life business, the Group focused on profitability, registering growth in savings products (+1.9%) and protection covers (+4.4%), generating overall production of € 33,500 million (+0.4%). Life net inflows – premiums collected less outflows – were positive at € 1,142 million after the negative result of € 378 million in the first half of the year. This performance is particularly notable given the Group's decision to cease renewing certain contracts with profitability levels deemed not adequate.

The **overall operating result** rose by 9.4% to € 3,292 million, showing strong progress in the third quarter (+43.1%), despite the effects of the de-risking policies put in place since the beginning of the year to reduce cross-border exposure to government securities.

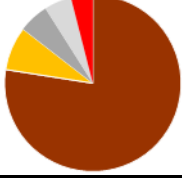
In particular, the Life operating result improved by 16.5% to € 2,196 million, with a positive contribution from the Group's main markets.

The P&C operating result – impacted by significant catastrophic events for € 311 million (€ 96 million 9M11) – was € 1,158 million (€ 1,204 million 9M11) supported by the improvement of technical margins excluding catastrophic events. The **combined ratio** remained stable at 96.6% due to the improvement in the current loss ratio and containment of expenses. Excluding the 2 percentage points impact from catastrophic events, the combined ratio improved by 1.3 percentage points. The operating result of the financial services segment was positive (+17.1%).

The improvement in results was accompanied by a **significant improvement in the Group's capital position**. Shareholders' equity was € 19,215 million, registering an increase of 24.1% (€ 15,486 million at the end of 2011), largely as a result of the positive performance of the Available-For-Sale reserve, benefitting from the revaluation in all asset classes, particularly bonds.

The Solvency I ratio improved to 140% (130% 1H12; 117% FY11) with a surplus of € 7.4 billion.

Own investments

	30/09/2012	31/12/2011
		
Fixed-income instruments	79.7%	77.6%
Cash and cash equivalents	7.1%	7.9%
Equities	4.8%	5.5%
Real estate	4.6%	4.9%
Other	3.8%	4%
Total	€ 329 bln	€ 311 bln

The Group's own investments at 30 September 2012 stood at € 328.5 billion, an increase of 7.8%. Exposure to fixed-income instruments rose to 79.7% (77.6% FY11) with the proportion of government securities increasing to 54.7% (53.8% FY11), on account of the revaluation of this asset class. Equities accounted for 4.8% (5.5% FY11) of the Group's own investments. Investments in real estate were broadly stable (4.6%).

OUTLOOK

In the Life segment the Group expects to confirm the premium levels of 2011. It will also continue to reduce the financial guarantees in traditional insurance contracts.

In the Property and Casualty segment the Group expects to report premium growth from both the Non-Motor and the Motor businesses. Considering the current impact of catastrophic events and in the absence of new events, overall technical margins are expected to remain stable relative to 2011 through the maintenance of operating efficiency levels and the continuing effects of the tariff and claims management policies implemented by the Group.

With regard to 2012 year-end outlook, the Group expects an operating result in excess of € 4 billion, in line with our previously announced target range of € 3.9 – 4.5 billion.

LIFE SEGMENT

€ mln	Gross premiums			Operating result		
	30/09/2012	30/09/2011	Δ	30/09/2012	30/09/2011	Δ
Italy	8,665	8,887	-2.5%	991	933	+6.2%
France	7,306	7,336	-0.4%	348	208	+67.3%
Germany	10,114	9,850	+2.7%	236	238	-0.8%
CEE	1,245	1,269	+1.6%	136	110	+23.9%
Total	33,500	34,385	+0.4%	2,196	1,978	+16.5%

Looking at Life production on a country-by-country basis, Germany (+2.7%) reported a reversal of the first-half trend with savings products rising by 4.7%. Healthy premium growth was also reported in Central Eastern Europe (+1.6%), Switzerland (+5%), Latin America (+7.7%) and China (+3.4%). With specific regard to Italy (-2.5%), France (-0.4%) and Spain (-4.2%), the Group chose to cease renewing contracts with profitability levels deemed not adequate. In Italy premium income made a recovery from the first half with a positive contribution of pension products

(+19%), supported by the initiatives launched by the Group in this sector. In France premiums showed healthy performance in protection covers and savings products.

The Group's decision to focus on products with higher profitability and low capital absorption reflects on new business in terms of APE that remains at good levels at € 3,184 million (-5.3%). Annual premiums account for 59% of new production, which is testament to the high quality of the business.

The Life operating result improved by 16.5%, reflecting the investment result (+26.2%), with a reduction in impairment losses and a revaluation of investments. The result was also supported by a stable technical margin.

PROPERTY & CASUALTY SEGMENT

€ mln	Gross premiums			Combined ratio		
	30/09/2012	30/09/2011	Δ	30/09/2012	30/09/2011	Δ
Italy	4,963	4,975	-0.2%	97.6%	96.8%	+0.8 pp
France	3,231	3,181	+1.6%	98.5%	98.8%	-0.2 pp
Germany	2,687	2,500	+7.5%	94.9%	95.6%	-0.7 pp
CEE	1,820	1,728	+8.4%	90.4%	88.7%	+1.7 pp
Total	17,445	16,942	+4.7%	96.6%	96.6%	0.0 pp

Looking at P&C production on a country-by-country basis, Germany reported an excellent performance (+7.5%), driven by all business lines. In Central Eastern Europe, the significant increase in premiums (+8.4%) is attributable to Non-Motor lines (+20.5%). Healthy growth was also achieved in France (+1.6%) thanks in particular to the corporate business, as well as in Spain (+1.9%), Austria (+2.4%), Switzerland (+2.7%) and Latin America (+29.2%). In Italy production was broadly stable, despite the impact of the reduction in new vehicle registrations on Motor lines.

P&C confirmed its high technical margins, despite the impact of catastrophic events mentioned above. The combined ratio improved in France (-0.2 p.p.), in Germany (-0.7 p.p.) and in Switzerland (-0.4 p.p.). In Italy it worsened by 0.8 p.p. to 97.6%, specifically as a result of the earthquake in Emilia.

FINANCIAL SERVICES SEGMENT

In the financial services segment, assets managed by the Group's banks and asset management companies totalled € 444,002 million. Third-party assets under management increased by 10.6% to € 93,236 million.

The operating result progressed by 17.1% to € 320 million, reflecting the improved investment result and, in particular, better investment opportunities on the market. The healthy performance

of the operating result was also buoyed by the Group's trading operations, especially on equity portfolios.

In his capacity as Chief Financial Officer, as from 9 November Alberto Minali takes on the duties of manager in charge of preparing the company's financial reports.

The Group also announces that, following his appointment as Chief Insurance Officer and in line with what was previously announced, Sergio Balbinot has formalised his resignation from the company Board of Directors and Executive Committee and, consequently, from his position as Managing Director.

The Board of Directors also named the Group General Counsel, Antonio Cangeri, as the new Secretary to the Board of Directors.

The interim financial report for the nine months to 30 September 2012 is available on the company website www.generali.com in the section Investor Relations.

**Conference call on results at 30 September 2012 at 12:00 am on +39 02 8058827 (listen only), or via the www.generali.com website.
Video presentation of results available on <http://www.mobile.choruscall.ch/webcast/generali/121109/>**

GROUP HIGHLIGHTS

Economic highlights

(€ million)	30/09/2012	30/09/2011	Ch. like for like ⁽¹⁾ 9M2012/ 9M2011	Third quarter 2012	Third quarter 2011	Ch. like for like ^(*) 3Q2012/ 3Q2011
Group						
Gross written premiums ^(**)	50,944.9	51,326.9	1.8%	15,297.7	15,474.0	1.5%
Expense ratio	16.4%	16.3%	0.2	16.7%	16.6%	0.1
Consolidated operating result^(***)	3,291.8	3,100.4	9.4%	948.5	692.2	43.1%
Result of the period	1,132.7	825.0	n.a.	291.1	19.5	n.a.
Life segment						
Gross life written premiums ^{(**)(****)}	33,500.5	34,385.0	0.4%	10,270.8	10,542.6	0.5%
Net cash inflows	1,142.1	6,496.2	-81.1%	1,520.5	1,677.8	2.1%
APE	3,183.7	3,535.4	-5.3%	904.1	1,027.3	-6.6%
Expense ratio - life segment	11.2%	11.3%	0.0	11.7%	11.9%	-0.1
Operating result - life segment	2,195.9	1,978.1	16.5%	545.4	314.8	92.1%
Non-life segment						
Gross non-life written premiums ^(****)	17,444.5	16,941.9	4.7%	5,026.6	4,931.4	3.4%
Expense ratio - non-life segment	27.2%	27.2%	0.1	26.2%	26.2%	0.2
Loss ratio - non-life segment	69.5%	69.4%	0.1	69.4%	70.5%	-1.0
Combined ratio - non-life segment	96.6%	96.6%	0.3	95.7%	96.7%	-0.8
Operating result - non-life segment	1,158.4	1,203.9	-4.3%	403.5	405.2	-2.0%
Financial segment						
Cost income ratio	67.9%	71.2%	-3.0	68.8%	76.8%	-8.0
Operating result - financial segment	319.9	279.0	17.1%	108.5	68.4	62.4%

⁽¹⁾ The change is considered on equivalent terms, on equivalent exchange rates and consolidation area with respect to written premiums, net cash inflow and APE, and on equivalent consolidation area excluding Migdal group from the comparative period with respect to operating results.

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

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

^(****) In order to ensure a fairer presentation of gross written premiums per line of business, written premiums amounting to € 152.1 million (€ 170.5 million at 30 September 2011) accounted for in the non-life business were reclassified into the life lines of business.

Financial highlights

(€ million)	30/09/2012	30/06/2012	31/12/2011	31/12/2011 without Migdal Group
Total investments	381,203.5	367,211.1	369,126.3	352,992.5
Asset under management	93,236.3	90,666.1	88,207.2	84,276.2
Insurance provisions ⁽¹⁾	340,682.2	336,486.5	347,167.3	331,550.8
Shareholders' equity attributable to the Group	19,215.1	17,359.3	15,485.6	n.a.
Solvency I ratio	140%	130%	117%	n.a.

⁽¹⁾ Taking into account financial liabilities related to policies of the life segment and excluding deferred policyholders liabilities.

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.

The **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 **Property and Casualty 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 holdings. 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 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.

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 Central Eastern Europe and Asia.

BALANCE SHEET – ASSETS

(€ million)	30/09/2012	30/06/2012	31/12/2011
1 INTANGIBLE ASSETS	9,946.3	10,014.8	10,433.8
1.1 Goodwill	7,268.8	7,266.6	7,394.4
1.2 Other intangible assets	2,677.5	2,748.3	3,039.4
2 TANGIBLE ASSETS	4,894.8	4,864.6	4,906.4
2.1 Land and buildings (self used)	2,996.0	3,000.4	3,071.6
2.2 Other tangible assets	1,898.9	1,864.2	1,834.8
3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS	5,877.5	5,745.3	5,678.0
4 INVESTMENTS	359,961.8	350,420.7	346,655.5
4.1 Land and buildings (investment properties)	12,907.3	12,917.3	13,081.7
4.2 Investments in subsidiaries, associated companies and joint ventures	1,973.7	1,943.7	1,904.8
4.3 Held to maturity investments	7,779.9	7,671.9	5,293.3
4.4 Loans and receivables	72,055.8	70,867.8	77,090.3
4.5 Available for sale financial assets	198,747.2	192,602.9	175,649.1
4.6 Financial assets at fair value through profit or loss	66,497.9	64,417.1	73,636.2
of which financial assets where the investment risk is borne by the policyholders and related to pension funds	52,666.2	50,209.8	58,312.0
5 RECEIVABLES	12,520.9	13,425.7	11,255.1
5.1 Receivables arising out of direct insurance operations	8,842.8	9,465.3	8,196.0
5.2 Receivables arising out of reinsurance operations	1,049.3	1,145.1	1,010.8
5.3 Other receivables	2,628.9	2,815.3	2,048.2
6 OTHER ASSETS	32,299.4	32,453.1	18,568.5
6.1 Non-current assets or disposal groups classified as held for sale	18,329.5	17,901.4	148.0
6.2 Deferred acquisition costs	2,258.0	2,197.5	2,013.4
6.3 Deferred tax assets	2,464.6	2,791.1	6,843.1
6.4 Tax receivables	2,914.7	2,923.4	2,736.6
6.5 Other assets	6,332.6	6,639.6	6,827.5
7 CASH AND CASH EQUIVALENTS	23,931.2	20,343.8	25,559.9
TOTAL ASSETS	449,431.9	437,268.0	423,057.2

BALANCE SHEET – SHAREHOLDERS' EQUITY AND LIABILITIES

(€ million)	30/09/2012	30/06/2012	31/12/2011
1 SHAREHOLDERS' EQUITY	22,099.6	20,096.3	18,120.5
1.1 Shareholders' equity attributable to the Group	19,215.1	17,359.3	15,485.6
1.1.1 Share capital and reserves	17,319.5	17,338.7	16,785.0
1.1.2 Reserve for other unrealized gains and losses through equity	-309.6	-298.2	-234.9
1.1.3 Result of the period	1,132.7	841.6	856.1
1.2 Shareholders' equity attributable to minority interests	2,884.5	2,737.0	2,635.0
2 OTHER PROVISIONS	1,328.0	1,342.0	1,386.2
3 INSURANCE PROVISIONS	328,223.2	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	39,972.7	38,068.6	46,849.8
4 FINANCIAL LIABILITIES	62,985.3	62,594.8	59,133.4
4.1 Financial liabilities at fair value through profit or loss	14,788.3	15,189.2	14,539.3
of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds	12,578.7	12,183.4	11,340.2
4.2 Other financial liabilities	48,197.0	47,405.6	44,594.1
of which subordinated liabilities	6,636.5	6,605.1	6,610.9
5 PAYABLES	8,315.8	8,863.0	7,607.0
5.1 Payables arising out of direct insurance operations	3,492.5	4,374.7	3,578.4
5.2 Payables arising out of reinsurance operations	870.7	752.3	725.3
5.3 Other payables	3,952.6	3,735.9	3,303.3
6 OTHER LIABILITIES	26,479.9	25,780.9	11,820.0
6.1 Liabilities directly associated with non-current assets and disposal groups classified as held for sale	17,366.2	16,905.3	0
6.2 Deferred tax liabilities	2,631.2	2,559.6	5,949.2
6.3 Tax payables	1,593.4	1,473.2	1,339.1
6.4 Other liabilities	4,889.1	4,842.8	4,531.7
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	449,431.9	437,268.0	423,057.2

INCOME STATEMENT

(€ million)	30/09/2012	30/09/2011	3Q 2012	3Q 2011
1.1 Net earned premiums	45,847.5	46,691.5	14,197.3	14,619.5
1.1.1 Gross earned premiums	47,948.4	48,715.9	14,916.7	15,297.7
1.1.2 Earned premiums ceded	-2,100.9	-2,024.3	-719.4	-678.2
1.2 Fee and commission income and income from financial service activities	967.6	1,065.0	322.3	358.8
1.3 Net income from financial instruments at fair value through profit or loss	4,468.1	-4,250.0	2,797.8	-3,927.5
of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds	3,409.3	-4,147.4	2,115.8	-3,591.9
1.4 Income from subsidiaries, associated companies and joint ventures	96.4	270.9	56.0	168.8
1.5 Income from other financial instruments and land and buildings (investment properties)	12,516.3	12,308.4	3,746.9	4,096.7
1.6 Other income	1,420.0	1,698.1	380.7	490.5
1 TOTAL INCOME	65,315.9	57,784.1	21,501.0	15,806.9
2.1 Net insurance benefits and claims	-46,972.1	-39,039.6	-15,977.1	-9,750.6
2.1.1 Claims paid and change in insurance provisions	-48,406.6	-40,095.9	-16,496.3	-10,111.8
2.1.2 Reinsurers' share	1,434.5	1,056.3	519.2	361.1
2.2 Fee and commission expenses and expenses from financial service activities	-377.9	-371.6	-127.8	-142.9
2.3 Expenses from subsidiaries, associated companies and joint ventures	-15.6	-384.7	-11.3	-22.1
2.4 Expenses from other financial instruments and land and buildings (investment properties)	-4,954.3	-5,334.2	-1,255.5	-2,349.6
2.5 Acquisition and administration costs	-8,614.9	-8,726.5	-2,761.4	-2,808.4
2 TOTAL EXPENSES	-63,117.1	-56,231.6	-20,837.7	-15,657.6
EARNINGS BEFORE TAXES	2,198.8	1,552.5	663.3	149.2
3 Income taxes	-821.6	-499.2	-271.5	-65.6
EARNINGS AFTER TAXES	1,377.2	1,053.3	391.9	83.6
4 RESULT OF DISCONTINUED OPERATIONS	-22.2	-0.3	-49.3	0.8
CONSOLIDATED RESULT OF THE PERIOD	1,355.0	1,052.9	342.6	84.4
Result of the period attributable to the Group	1,132.7	825.0	291.1	19.5
Result of the period attributable to minority interests	222.3	227.9	51.6	64.8
EARNINGS PER SHARE:				
Earnings per share (in €)	0.74	0.54	0.19	0.01
from continuing operation	0.75	0.54	0.21	0.01
Diluted earnings per share (in €)	0.74	0.54	0.19	0.01
from continuing operation	0.75	0.54	0.21	0.01