

Speech by Chairman
Antoine Bernheim

Dear Shareholder,

Today's General Meeting has been called to approve the Company's accounts for the 2008 financial year and the dividend to be distributed to shareholders.

As you know, during that year our premium income amounted to €68.8 billion, an increase of 3.9% over 2007, when premiums amounted to some €66.2 billion.

In 2008, the Generali Group therefore repeated the growth trend which had already emerged in the preceding years.

In the Non-life Sectors, premium volumes increased by 5.5% over 2007.

In the Life sector, premium income increased by 3.2%; however, if the significant decline in premiums collected through the bancassurance channel is excluded, the growth rate would have been 4.8%.

As regards results, the net profit amounted to €861 million, compared with €2.9 billion at the 2007 year end.

We certainly cannot ignore the impact on the Company's results of the financial crisis which shook the markets in 2008 and had major repercussions on the Company's consolidated accounts, mainly due to the accounting procedures for securities imposed by the new International Accounting Standards.

However, I must emphasise that Generali has not suffered adverse effects deriving from investments in "toxic securities" which, as you know, are not included in our portfolio, unlike those of some of our competitors.

Net of the extraordinary impacts caused by the said financial situation, the profit for the year would have amounted to approximately €3 billion, in line with the exceptional result recorded last year.

In particular, the crisis in question reduced the Profit and Loss Account by approximately €2.1 billion, while in the case of net equity,

net devaluations of securities amounted to approximately 3.1 billion.

It can therefore be concluded that the Group's results were encouraging, in terms of both the amount of premiums collected and the profit for the year, despite the current market context.

As regards 2009, I can only provide data relating to the volume of direct business premiums earned during the first quarter: the figure exceeds €11.5 billion in the Life sector and €6 billion in the Claims sector, ie. substantially stable compared with the first quarter of the preceding year.

However, the result for the first quarter of this year is also likely to be affected by the serious economic trend and the continuance of the financial crisis that began in 2008.

As regards the whole of the 2009 financial year, the consequences of the economic crisis and the financial markets need to be evaluated as regards both premium income and annual profit.

However, I must emphasise that despite this extremely difficult context we have tenaciously pursued our strategic objectives, promoting projects designed to ensure significant organic growth of the Group both in Italy and abroad. At the same time, we have promoted growth abroad, as far as possible, to enable Generali to consolidate the positions already held in Europe and the rest of the world. The aim is to enable the Company to attract more and more investors from all countries, thus further increasing its already considerable worldwide prestige.

We have concentrated particular efforts on developing business in the Eastern European countries, China and India.

In Eastern Europe, for example, the Group has grown both by internal lines and through acquisitions, some of them very large: this is demonstrated by premium income, which in this area has risen by just over €740 million to almost €4.2 billion (+458%) in a 5-year-period. In 2008 this area contributed approximately €600 million to the overall operating profit (which amounted to about €4 billion).

Major development has also been achieved in China: by the beginning of this year, the Group had become the largest foreign insurance company in the Life sector.

We also entered the Indian market, where we had nearly 160,000 policyholders by the end of 2008, despite having started from scratch.

We are firmly convinced that the attention given to these markets will guarantee even better results, bearing in mind that we have chosen to invest in the countries which have not only reacted faster and more effectively to the current crisis than others, but above all appear sounder and have better growth potential for the future.

As regards the Western European countries, whose economies are now mature and in which most of our business is concentrated (we are among the market leaders in Italy, France and Germany), our efforts are focusing on reorganising the Group and consequently enhancing its operational efficiency.

In conclusion, our Company is currently sound, and has no need to increase its share capital. In view of the market situation, we believe that external growth opportunities may well arise, in which case we will propose suitable methods of financing those operations.

Thank you.