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GENERALI GROUP ACQUIRES ARDAF AND RAI INSURERS IN ROMANIA

- » **Market share in Romania doubled to 11.7% (1Q 2008)**
- » **8,000 agents across the territory**
- » **Sergio Balbinot: “This continues our strategy of acquisitions that target growth in high-potential markets”**

Trieste, 25th June 2008. Generali PPF Holding has signed an agreement with PPF Investments, an international private equity group, to acquire control of two Romanian insurance companies ARDAF and RAI. Generali PPF is acquiring 72.7% of Ardaf and 99.9% of Rai. The transaction, which is subject to approval from all the relevant regulatory authorities, will enable the Group to expand its operations in Romania which is one of the Group's strategic markets in CEE.

Generali Group Chief Executive Officer Sergio Balbinot said: “Romania is a strategic market for us, and one that in recent years has registered the highest growth figures in the EU. Over the next few years, the country's excellent economic attributes will support continued double-digit growth in the insurance market. This transaction will double our share in the Romanian insurance market to 11.7%. The Group's distribution capabilities will also increase, through a network of 8,000 agents across the country”. Balbinot added: “Our aim is to continue expanding in high-potential markets to drive future growth through targeted acquisitions”.

S.C. Asigurare si Reasigura **Ardaf** operates both in life and non life insurance, with total gross premiums in 2007 of € 48.4 mln, mostly from non life insurance policies and motor third-party liability policies in particular. The company focuses primarily on retail business, and has a distribution network of 35 branches, 222 agencies and over 5,100 agents. **Rai**, Roumanie Assurance International, is a market leader in travel and medical insurance, with gross premiums in 2007 of € 7.8 mln. Generali PPF already operates in Romania through Generali Asigurari, which operates both in life and non life insurance, and through Generali Fond de Pensii, the third leading Romanian pension fund.

Romanian Insurance Market

Whilst Romania is the second largest economy of the ten eastern European countries that joined EU between May 2004 and January 2007, its insurance market is comparatively small, ranking sixth amongst CEE countries with a total GWP of 1.6 billion euros in 2006*. Romania has the lowest insurance penetration

in the region (premium to GDP ratio 1.7% in 2006) and the third lowest insurance density across the CEE region (insurance spending 75 euros per person in 2006). It is estimated that 87% of Romanians have no voluntary pension plans, highlighting that the market has significant growth potential- particularly if real wages continue to grow at current rates. Given Romania's current low penetration and density levels, convergence with its CEE peers over the long term is anticipated.

*2006 data are the most updated available.

Generali in Central Eastern Europe

Generali Group is Europe's third-largest insurance group and the leader in Italy with total GWP of more than €66 billion in 2007. Generali PPF Holding, a joint venture held 51% by the Generali Group and 49% by PPF Group, began operations in 2008. GPH combines the operations of the two groups in the CEE region. Today the Group operates on 12 markets with a portfolio of more than 9 million clients: Czech Republic, Slovakia, Poland, Hungary, Romania, Bulgaria, Ukraine, Russia, Serbia, Slovenia, Croatia, Kazakhstan.