JOINT PRESS RELEASE

Preliminary joint venture agreement signed

GENERALI AND PPF GROUP
TO COMBINE THEIR CENTRAL AND EASTERN EUROPE BUSINESSES TO CREATE THE REGION’S LEADING INSURER

• Agreement accelerates both Groups’ strategies for expansion in one of the insurance world’s most attractive regions and creates a strong platform for further expansion opportunities in the region and adjacent territories

• The new joint venture “JV” will be 51% owned by the Generali Group and 49% by the PPF Group. PPF Group is a dynamic financial entity in the insurance sector, through Ceska pojistovna, the Czech Republic’s leading insurer, as well as in the consumer credit business in 5 Eastern European countries

• Based on pro-forma 2006 data, the JV’s annual gross written premiums will exceed € 2.6 billion, with an Embedded Value of € 2.3 billion and over 9 million customers in 12 countries

• In addition to its contribution of assets to the joint venture, Generali will pay PPF Group €1.1 billion in cash to achieve its 51% share of JV

• Petr Kellner, controlling shareholder of PPF Group, will be nominated to the list of Generali Board members to be proposed at the next Annual General Shareholders Meeting

• Sergio Balbinot, Co-CEO of Assicurazioni Generali, will be the Chairman of JV; Ladislav Bartonicek, Chairman of Ceska pojistovna Board of Directors, will be the CEO of JV;

• The agreement values Ceska pojistovna Group at €3.6 billion and Generali’s CEE assets at € 1.5 billion

• In 2008 the transaction will be earnings accretive for Generali Group by 2.2% on IFRS earnings and 2.1% on EV earnings
Trieste and Amsterdam, April 26, 2007. Assicurazioni Generali’s Board of Directors met today under the chairmanship of Antoine Bernheim. Assicurazioni Generali and PPF Group N.V., through Ceska pojistovna, the leading life and non-life insurance group in the Czech Republic, announce that they have entered into a preliminary joint venture agreement to create the leading insurer in the Central and Eastern European region.

The new JV will unite all of Generali’s and PPF Group’s insurance assets in the CEE region giving the combined group unrivalled reach across the following twelve countries: the Czech Republic, the Slovak Republic, Poland, Hungary, Romania, Bulgaria, Ukraine, Russia, Serbia, Slovenia, Croatia and Kazakhstan.

Commenting on the agreement, Sergio Balbinot, Generali Group Co-CEO said:

“Generali’s historical ties to the CEE region are well known. Since returning to Hungary we have developed our presence so that we currently operate in 10 countries, serving some 4 million customers. To further this success, we have been looking for the right partner with whom we can take the business to its next stage of development. We have found that partner in PPF Group and Ceska pojistovna Group. By joining forces we become the leading player in CEE with a pool of over 9 million clients. Working with our new partner our objective is to leverage our combined scale and diversification to accelerate our already rapid growth trajectory in the region.

As was the case in China and India, we believe the partnership model, combining Generali’s insurance capabilities and financial strength with the dynamism and deep market knowledge of a local entrepreneur, will prove to be a winning combination for our customers, our partners and our shareholders”.

Ladislav Bartonicek, Chairman of Ceska pojistovna Board of Directors, added:

“PPF Group has a proven track record of value creation in the CEE region through its successful transformation of Ceska pojistovna into a highly profitable and growing business, with strong distribution and a history of innovation. We are the market leader in the Czech Republic and this partnership provides a springboard for our continued success in the wider region. We believe this partnership is a perfect commercial, cultural and strategic fit for Ceska pojistovna Group. We operate in complementary markets and the potential for collaboration is compelling. Joining forces with Generali represents the logical next step in Ceska pojistovna’s development and will provide an excellent opportunity to gain a leading position in the CEE insurance market, strengthening the growth platform in the high-potential CIS countries as well.”
Key elements of the Preliminary Joint Venture Agreement

Based on aggregated pro-forma 2006 data¹, JV’s key data will be as follows:

**Gross Written Premiums:** € 2,627 million  
**Net Profit**²: € 305 million  
**Embedded Value:** € 2,268 million  
**Customers:** 9 million

The JV will combine Generali’s core insurance competencies and financial strength to support further growth with PPF Group’s unrivalled local knowledge and entrepreneurial track record.

The agreement values 100% of Ceska pojistovna Group at € 3.6 billion and Generali’s current CEE operations at € 1.5 billion. The agreement also entails a cash payment by Generali to PPF Group of € 1.1 billion to be fully financed from Generali’s existing resources, in order for Generali to own, on deal completion, 51% of JV, with PPF Group holding the remaining 49% share.

PPF Group will have a time-limited earn out on performance above a hurdle on the JV shares acquired by Generali under the cash settlement. The agreement allows for a call option to Generali in case of deadlock and material default and for puts to PPF in certain cases.

In 2008 the transaction will be earnings accretive to Generali by 2.2% on IFRS earnings and by 2.1% on EV earnings. The deal is expected to be neutral with regard to Generali’s financial ratings.

**Strategic Rationale: CEE region posting a strong potential for future growth**

Central and Eastern Europe is one of the world’s most attractive and fastest-growing insurance markets, and convergence towards the Euro currency is expected to underpin further the growing financial stability of the CEE economies.

In the 2007-2009 period, real GDP growth in the region is expected to be in the range of 5.0 - 5.5%, almost triple that of Western Europe. Continuing rapid economic development is set to further boost families’ disposable income and, in turn, increase insurance penetration levels pushing them towards European averages.

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¹ All aggregated pro-forma data not audited  
² On normalized 2006 earnings
Reforms of the pensions and healthcare systems are already under discussion in several of the CEE countries and should create all the conditions in which a major new private sector player such as the JV will prosper by:

- Leveraging the strength of the Generali and Ceska pojistovna brands from their new position as CEE insurance market leader;
- Combining the operational and product strengths of Generali and the distribution and regional know-how of Ceska pojistovna Group;
- Applying the new Group’s ability to cross-sell insurance and savings products to provide greater customer choice and increase market share;
- Capitalising on the strong strategic, geographic and cultural fit that the two partners bring to the new Group;
- Capturing a range of synergies by the application of best practice in areas such as IT, claims handling, procurement and reinsurance.

With its combined platform, the JV will also be ideally placed to realize the attractive and fast growing potential of the CEE countries, Russia and of other CIS members.

**Governance**

Generali Group and PPF Group will be equally represented on the Board of Directors of JV. Sergio Balbinot, co-CEO of Assicurazioni Generali, will be the Chairman of JV and Ladislav Bartonicek, current Chairman of Ceska pojistovna, will be the CEO.

Mr. Petr Kellner, founder and core shareholder of PPF Group, will be nominated to the list of Board Members to be proposed at Generali Annual General Meeting, scheduled for 28 April, 2007.

**Timetable**

It is expected that the transaction will be concluded in the second half of the year. The transaction is subject to the approval of the relevant regulatory and anti trust authorities.
About Generali’s operations in the CEE region

Generali Group, the third European insurer and leader in Italy, with total gross premiums written of over € 64 billion, operates in 10 countries in the CEE region, in the insurance and asset management sectors. In addition to brisk organic growth, Generali has also been actively acquiring businesses in the region, completing four acquisitions during 2006 in Bulgaria, Croatia, Serbia and Ukraine.

In 2006, Generali’s combined CEE operations had Gross Written Premiums of € 1,159 million (an increase of 24.6% compared to 2005) of which 62% came from non-life and 38% from life. Net profit (aggregated net bottom line) in 2006 was € 48 million. New Business Value was € 28.9 million, up 66% on the previous year, while the combined ratio was 92.8%.

About PPF Group and Ceska pojistovna Group

PPF Group N.V. is a international financial group controlled at 95% by Mr. Petr Kellner, a Czech entrepreneur with a strong track record of success. PPF Group has its corporate ownership and decision making structure based in the Netherlands. The group’s key holding company that defines strategic decisions regarding the entire group’s activities is the Amsterdam-based PPF Group N.V.

PPF as such was originally established in 1991 and in 1996 it acquired a minority stake in Ceska pojistovna as part of the Czech privatization process. Since then, PPF has in stages acquired full control of Ceska pojistovna and has successfully turned around the formerly State-owned insurer, both in terms of growth and profitability. In addition to maintaining a solid leadership position in the Czech market, Ceska pojistovna has set up green field operations in Slovakia (where it is now the 3rd largest insurer) and in Russia (where it is the 5th largest insurer in the classical life insurance). In 2006 it also commenced operations in the Ukraine and in Kazakhstan.

Ceska pojistovna Group is a composite insurer based in Prague and with operations in Czech Republic, Russia, Slovakia, Kazakhstan and Ukraine. In the Czech Republic, Ceska pojistovna is the leading life and non-life insurer and pensions provider with market shares above 34%(regular life), 36% and 27.0%(in number of clients), respectively.
In 2006, Ceska pojistovna had Gross Written Premiums of € 1,469 million of which 66% were non-life and 34% were life. Net profits in 2006 were € 362 million, including € 105 million of non-recurring items. New Business Value was € 46 million while the net combined ratio was 84.9%.

In addition to Ceska pojistovna, in 1997 PPF launched a green field consumer lending unit called Home Credit Group. Since then, Home Credit Group has become one of the leading players in this business in the entire region. As of year end of 2006 the Home Credit Group has granted credits in the total amount of € 2,133 million. Home Credit Group operates in the Czech Republic (ranking number 3), in Slovakia (ranking number 2) and Russia (ranking number 2). In 2006 it also opened for business in Ukraine and Kazakhstan.

Tomorrow morning at 9.00 CET, a conference call will be hosted with Mr Sergio Balbinot and Mr. Ladislav Bartonicek presenting the highlights of the preliminary joint venture agreement. To connect please dial:

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