**Schedule H**

**Speech by Managing Director**
**Giovanni Perissinotto**

Dear Shareholder,

The operation you are asked to examine and approve today is of great industrial importance to the Generali Group.

It will simplify the Group's organisational structure, and will create a new mixed company that combines the insurance businesses of Alleanza and Toro and will consequently benefit from the complementarity of the two distribution networks and their product-specific skills. This combination will generate excellent cross-selling opportunities, leading to significant growth in the penetration of the customer base.

The Group's presence in Italy will therefore be strengthened by greater investment in what is, and must remain, our main market.

The operation also includes the takeover of Toro and Alleanza by Generali, which will take place after (but in conjunction with) contributions to the capital of the new company called Alleanza Toro S.p.A., on the basis of a share exchange ratio of 0.33 Generali shares for each Alleanza share.

The proposed project will enable us to:

- simplify the Group's corporate and organisational structure in Italy;
- achieve a significant amount of synergies, estimated at approx. € 200 million;
- improve the quality of Generali's capital by replacing minority holdings with new own capital, and optimise the allocation of capital.

Dealings between the companies in the Group will therefore be simplified. The main stages of the project in question involve:

- the contribution by Toro of its insurance business and by Alleanza of a division of its insurance business to the new company called Alleanza Toro S.p.A.;

- the takeover of Alleanza and Toro by Generali.

The contributions to capital will be made in conjunction with the takeover, as a result of which the new company Alleanza Toro S.p.A. will be wholly owned by Generali.

Moreover, as a result of the operation, the capital of Generali Properties, the main management company of the Group's real estate in Italy, will continue to be wholly owned, directly and indirectly, by the parent company (75% directly and 25% through Alleanza Toro).

**1.** As I have said, the operation has great strategic value.

Primarily, a larger and more competitive insurance company will be created on both the Life and the Non-life markets, by aggregating two highly complementary companies.

Toro has greater expertise in the Non-life sector, is stronger in Northern Italy, and has a distribution model based on the agency network, whereas Alleanza has greater expertise in the Life sector, is particularly competitive in southern Italy, and has an efficient employed sales force. Alleanza also has a younger managerial structure, which can provide Toro with a pool of executives on which to draw for its future requirements.

The new company will have a unique distribution and commercial capacity in Italy: a widespread network of 2,000 sales outlets and some 18,000 sales representatives, with a customer base exceeding 3.3 million and very successful insurance brands and know-how.

The project will also bring new competitive advantages to the Toro and Alleanza networks: at a time of great pressure on profit margins, especially in the Vehicle segment, strengthening the ability of the Toro network to sell Life products will constitute another major aspect of differentiation from low-cost vehicle insurers. It will also enable the Alleanza network to sell Non-life products, which would otherwise be impossible, and consequently to position itself as a single supplier of protection to families, thus filling the current gap.

The operation will also generate great operational efficiencies, deriving not only from the elimination of duplications between Alleanza and Toro, but also from the fact that Alleanza will have full access to the Group's services and the consequent economies of scale.

Moreover, the more efficient cost structure of the new Alleanza Toro will allow more competitive products to be offered, especially in the interests of customers.

The project in question will create value for shareholders. When it is fully operational, the synergies are estimated at € 200 million, € 100 million of which relates to income, € 60 million to costs and € 40 million to tax savings. The synergies will be illustrated in greater detail shortly.

However, it should be made clear immediately that the income synergies derive from two actions:

- the sale of Life products to Toro customers by trained producers with Alleanza know-how based at Toro agencies:
- the sale of simple Non-life products by the Alleanza sales force.

The operation will involve limited performance risks in view of our thorough knowledge of both companies.

The reorganisation will also enable us to simplify the Group's organisational structure and concentrate our insurance activities on 3 main areas: North-East, North-West and Rome.

The new structure, based on the merger of Toro and Alleanza, will provide extensive geographical coverage and increase the distribution force in the wealthier parts of Italy.

The new company will have networks coordinated by a single *business brain*, with some 2,000 sales outlets and a sales force of over 18,000.

The mixed company Alleanza Toro will be one of the Italian market leaders, including in terms of competitive positioning: the new company will be the third-largest operator, excluding the bancassurance segment, with over € 5.4 billion in premiums, some € 3.6 billion of which are generated by Life insurance and € 1.8 billion by Non-life business. Alleanza Toro will have net technical reserves of € 19.2 billion, € 16.7 billion of which is generated by the Life segment.

The industrial model of the new company arising out of the merger of Alleanza and Toro will be unique and able to generate substantial growth for the benefit of customers, agents, the sales force, employees, and consequently the Generali Group.

The leadership of the new Group, namely the Chairman, Amato Luigi Molinari, and the Managing Director, Luigi De Puppi, two executives of great experience and proven professionalism, was chosen with the aim of ensuring rapid integration and maintaining full business continuity.

As regards product factories, the combination will create two centres of excellence: one for Non-life products, based on the expertise and know-how of Toro, and the other for Life products, based on the strength of Alleanza. The new company will also take advantage of shared Group services to benefit from economies of scale.

The two brands and the networks (and this is a crucial connotation) will remain separate, in line with the Group's multi-brand strategy . Offsetting and organisational mechanisms will be introduced to maximise collaboration between the networks, and to ensure exploitation of their reciprocal skills and achievement of the forecast synergies. Clear rules will also be laid down to protect the "existing customer" portfolios of the other networks in the Group.

I will now explain how distribution will work in more detail.

Alleanza's proprietary sales force will have basic retail Non-life products, such as vehicle policies, general third-party policies, household fire policies, etc. This will enable the vendors to meet their customers' insurance requirements better, gradually increasing the strong existing customer loyalty and becoming sole suppliers, or at least main suppliers, of family protection products.

The Toro agency network will be supported by a direct sales force in the life sector. The Life representatives will operate in close coordination with the agents, with evident reciprocal benefits. This is a winning combination, as Generali has demonstrated over the years.

The operation in question will generate significant cost and income synergies, as well as tax savings. The income synergies should be fully operational by 2012, reaching € 100 million per annum pre-tax.

The cost synergies will be achieved through:

- full integration of Alleanza into the Group's operational model (outsourcing of operations to Generali Business Solutions and of control/support functions to the parent company);
- elimination of duplications in the Alleanza and Toro central and line functions, IT systems and investments.

To achieve these synergies, we estimate that integration costs amounting to some € 90 million will be incurred.

Finally, the estimated tax savings will derive from the application of recent legislation which allows deduction for tax purposes of the depreciation shown in the financial statements of new company Alleanza Toro in return for payment of a lieu tax (at the discounted rate of 16%).

This tax treatment will generate an annual benefit, as regards the Profit and Loss Account, of approx. € 40 million, net of financing opportunity costs, for a period of 9 years beginning in 2011.

We will now consider in detail the formation of these numbers, first focusing on income synergies.

We consider the potential income synergies very significant: the Alleanza network is efficient and its customer base is very loyal, while the Toro network has a good concentration in the wealthier Italian regions, where the potential for increased sale of Life products is high.

As you will see, approx. 70% of the estimated income synergies are attributable to the Alleanza network and the remaining 30% to the Toro network. I believe that these forecast synergies are realistically attainable because:

- the placing of Non-life products by the Alleanza network requires a customer penetration rate of approx. 25% to be achieved by the end of 2012. In view of the simple characteristics of the products, I consider that the network will have no difficulty in reaching that level. In practice, it would be sufficient for each sales representative, given suitable incentives, to sell one Non-life policy a week;
- similarly, the sale of one Life product per week by each agent in the Toro network would bring the Life penetration much closer to the internal benchmarks of the Generali Group. This process has already begun, and will be supported and accelerated by the know-how developed by Alleanza over the years.

To move on to cost synergies, the main areas of saving are identified as:

- full integration of Alleanza into the operational model of the Generali Group, centralisation of some staff functions, rationalisation of duplications, and a reduction in operating and consultancy costs. It is estimated that the pre-tax benefit will amount to at approx. € 46 million per annum when the project is fully operational;

- rationalisation of information technology costs by eliminating duplicate platforms and rationalising investments in the sector. It is estimated that the pre-tax benefit will amount to approx. € 14 million per annum when the project is fully operational.

I believe that these synergies are realistic, partly because we can operate on a higher cost base than those of Alleanza and Toro combined. This is because in the medium term, the planned centralisations in Group services can be considered “a four-way consolidation” from the operational standpoint, as the operation involves Alleanza, Toro, Generali, and the Group’s shared service platform.

We will now consider the financial impact of the operation.

**2.**If the development of the share exchange ratio in the last 5 years, until February 2009 (when the Boards of Directors of Generali, Alleanza and Toro approved the guidelines of the reorganisation project), is considered, it will be seen that the share exchange ratio of 0.33 Generali shares for each Alleanza share is in line with the average share exchange ratio calculated from the stock market prices of the Generali and Alleanza shares in the month prior to 13 February 2009 (the last day before leaks about the operation appeared in the press), and approx. 6% higher than the average share exchange ratio for the preceding three months and 13% higher than the average share exchange ratio for the preceding 6 and 12 months.

The share exchange ratio established is higher than the exchange ratios implicit in the stock market prices quoted in the period September-October 2008; however, we do not consider this to be a significant indicator, as it was clearly influenced by the crisis on the financial markets following the Lehman Brothers insolvency.

Moreover, if a longer period is considered, the share exchange ratio is between the average for the last 2-3 years and the average for the last 5 years.

The process of determining the share exchange ratio is based on the valuation methods commonly used, including internationally, for operations of this kind and for companies operating in the insurance industry. In particular:

- the *Stock Exchange Listing* Method and the *Market Multiples* Method, both of which are based on market values;
- the *Sum-of-the-Parts* Method, an analytical methodology which involves the fundamental valuation applied to the different business areas of Generali and Alleanza, and determination of the total value as the sum of the individual parts making up the companies.

In these analyses, it is assumed that Alleanza and Generali would have issued a dividend for the 2008 financial year before the takeover took effect.

On 20 March 2009, Generali's Board of Directors noted the fairness opinion issued by Mediobanca, UBS and Morgan Stanley about the suitability from the financial standpoint of the share exchange ratio identified, and approved the Takeover Plan and the share exchange ratio of 0.33 Generali Shares for each Alleanza share.

Confirming the correctness of the analysis, on 19 May the joint expert Deloitte & Touche S.p.A., appointed by the Trieste High Court, completed its own report, stating that it considered the valuation methods used by the Generali and Alleanza Boards of Directors to be appropriate, partly on the basis of indications by their respective financial consultants, and their application to be correct for the purpose of determining the share exchange ratio.

After the announcement of the takeover on 23 February 2009, the market performance of the Generali and Alleanza shares was favourable, while the share exchange ratio expressed by the stock exchange prices was substantially aligned with the announced exchange ratio of 0.33.

We will now illustrate the impact of the operation on some of the main financial indicators of the Group.

**3.** As stated in December last year, it is difficult to define medium-term targets in a volatile, uncertain market context like the present one. However, we can provide guidelines based on our present internal estimates.

We consider that the sound industrial rationale for the operation is supported by valid considerations, including strictly financial factors.

We estimate that the operation will increase the IFRS profit per share at Group level when the synergies become fully operational in 2012.

The operation will immediately increase the embedded value per share, even without taking account of the favourable effect of the synergies.

The operation will also improve the quality and the capacity of use of capital within the Group: according to the “Solvency I” criteria the solvency margin will remain substantially unchanged, with an improvement deriving from the favourable impact of the gradual implementation of synergies, while according to the “Solvency II” criteria, solvency will improve by several percentage points (estimated at around 8%). The capital will certainly be of better “quality”, due to the replacement of the third parties’ net equity with Generali’s own capital as a result of the new issue of Generali shares.

The operation will also give direct access to Alleanza’s full dividend-generating capacity, with a favourable impact on Generali’s cash flows and liquidity.

The following variations emerge from the main pro forma data of the Generali Group in 2008, as if the takeover had already been performed :

- on the assets side, an increase in intangible assets due to the goodwill generated by the takeover, amounting to approx. € 1.2 billion. All the other items, being consolidated, remain unchanged;
- on the net equity side, a reduction in minority interests and an increase in assets owned by the Group, due to the increase of capital at the service of the takeover;
- as regards the Profit and Loss Account, as the company was already consolidated, the only effect relates to redistribution of the consolidated profit (which has increased from € 860.9 million to € 974.8 million) between the Generali shareholders and the third-party holdings (from € 203 million to € 89 million), the latter having declined as a result of the takeover.

After the takeover, the pro forma profit per share earned by the Group will amount to € 0.66, and the pro forma net equity per share earned by the Group to € 8.93.

After (but in conjunction with) the contribution of the insurance businesses of Alleanza and of Toro to newco Alleanza Toro, Toro and Alleanza will be taken over by Generali. In particular:

- Toro will be taken over with no need for a share exchange as the company is wholly owned by Generali;
- Alleanza will be taken over by Generali by means of the issue of new Generali Shares to Alleanza shareholders other than the parent company Assicurazioni Generali S.p.A..

A maximum of 147 million shares will be issued, and the total number of Generali shares will increase from 1 billion 410 million to approx. 1 billion 557 million.

As regards the impact of the operation on the share structure following completion of the takeover, the main shareholders currently own approx. 30% of the Company. When the takeover has been completed, the same shareholders will hold approx. 27.5% of the Company, still guaranteeing a sound shareholder base (the forecast dilution is approx. 9%, with the sole exception of the Bank of Italy, which already owned Alleanza Shares).

In conclusion, I will now briefly illustrate the steps taken to date regarding the operation, and the time required to complete it.

**4.** Since the announcement of the operation on 23 February 2009, Generali, Alleanza and Toro have commenced the process of implementing the contributions and the takeover, and the process of integrating the activities of Alleanza and Toro.

In particular, in the last few months:

- the new company Alleanza Toro S.p.A., to which the insurance businesses of Alleanza and Toro will be contributed, has been incorporated;
- the takeover project and the documentation required by law have been approved by the Boards of Directors of the companies involved;
- the necessary authorisations have been requested from the Bank of Italy, COVIP and ISVAP, and ISVAP's approval was issued on 11 June last.

The COVIP and Bank of Italy authorisations are expected to be issued this month.

Today, you are asked to express your opinion of the Plan for the Takeover of Alleanza and Toro by Generali following the spin-off of the

Toro insurance business and a division of Alleanza to Alleanza Toro.

Similarly, the Alleanza shareholders will be asked to give their opinion at the Extraordinary General Meeting arranged, on first convocation, for the day after tomorrow.

The Alleanza Toro rights issue designed to serve the contributions will be resolved on in July.

The operation will be completed by signature of the contribution and takeover agreements, at about the same time, in the second half of September 2009.

**5.** In conclusion, I will summarise the characteristics which, in our opinion, are the most important and constitute a major step consistent with our development strategy, which has long been awaited by our reference market.

Despite the difficult market context, we are making progress towards the reorganisation and optimisation of the Generali Group's activities in Italy, by significantly simplifying the chain of control and the company's structure.

The new company, created from the merger of the Alleanza and Toro insurance businesses, will have unique characteristics, such as differentiated, complementary distribution networks, complementary products and significant growth opportunities.

The proposed reorganisation has long-term growth prospects which, together with the significant potential synergies, will create value for present and future shareholders alike.

Generali was the majority shareholder of Alleanza for many years, and has significantly integrated and restructured Toro since its acquisition in 2006. We therefore believe that we are prepared for this further step, characterised by a low performance risk, which will benefit the entire Generali Group in the years to come.

Thank you.