

PRESS RELEASE

**Generali Group acquires majority shareholding in Delta Osiguranje,
Serbia's largest private insurance company**

The operation further strengthens the Group's presence in Central Eastern Europe (CEE)

Trieste, March 13, 2006. The Generali Group, through Generali Holding Vienna, has signed an agreement for the acquisition from Delta Group of 50% plus 1 share of Delta Osiguranje, the first private operator, as well as third overall, in the Serbian insurance market. After having been granted the green light from local authorities, Delta Osiguranje will take up its new name Generali Delta.

Commenting on the operation Generali Group CEO **Sergio Balbinot** said: *"One of the three pillars which the 2006-2008 Strategic Plan is founded on is represented by acceleration of growth and innovation also by entering new markets. In this light, a venue for growth, both organic and external, will be represented by emerging markets such as Central Eastern Europe, where a favourable economic backdrop, combined with low insurance penetration levels, signal a truly interesting medium and long term outlook in terms of growth potential. In this context, the Serbian insurance market is undergoing a phase of intensive growth, driven by an economy that is benefiting also from the favourable exchanges with our country."*

With the acquisition of Delta Osiguranje, Generali, through Generali Holding Vienna, has strengthened its position in CEE markets, bringing to eight the number of countries in which it is present.

"Over the next three-year period – CEO Sergio Balbinot added – we plan to give a new impulse to the Group's organic growth in the region, without disregarding does acquisition opportunities that are compatible with our investment criterion both in the countries where we already operate and in those showing great dynamism."

Delta Osiguranje: premium income doubles in 2005

"The choice of Delta Osiguranje – Mr Balbinot continued – allows the Generali Group to enter the Serbian market by taking over the market's third-largest as well as the country's leading private insurance provider."

Established in 1998, Delta Osiguranje closed 2005 with a premium income of about € 40 million, which is more than double the € 16 million recorded in the previous year. The company's current client base is approximately half a million, out of whom 145,000 became new clients in 2005. Overall, Delta has 26 agencies across Serbia as well as a workforce of 670.

The company will continue operating as a life and non-life company, providing, among others, pension and health insurance.

The Delta Group includes a vast number of companies operating in the areas of retail, industry, agriculture and finance.

Generali Group in CEE Countries

Generali currently has a significant presence in Eastern Europe about with 3.3. million clients, operating in seven countries with a historically renowned trademark (Hungary, Czech Republic, Romania, Slovenia, Slovakia, Poland and Croatia).

As set out in the 2006-2008 Strategic Plan, the growth strategy in CEE will be further optimised and focused thanks to the setting up a new corporate entity under which the Generali Group companies in the region will operate. The new corporate vehicle will refer to Generali Holding Vienna.

Serbian insurance market

With a population of 7.5 million, Serbia is currently undergoing a significant phase of economic development. In 2005, the country's insurance industry generated premiums for approximately € 400 million, recording a very low insurance penetration (Premiums-to-GDP ratio of 2.2%) if compared to other eastern European countries, thereby showing interesting growth prospects for the coming years.

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