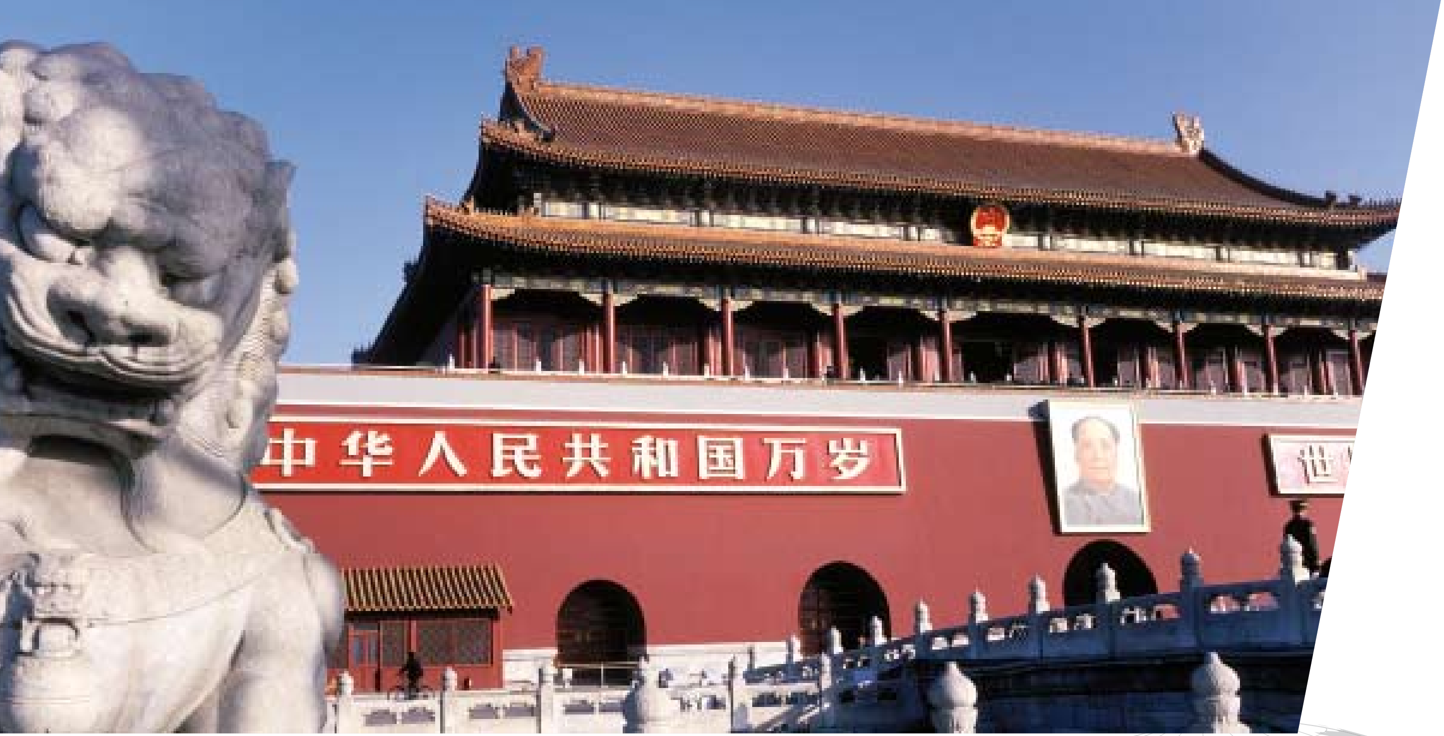

Tienanmen Guangchang - Beijing, China

External Auditor's report

pursuant to art. 2501 sexies of Italian Civil code

GENERALI

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The present informal translation of the prevailing Italian version has been drafted for reference purposes only. Please note that in case of conflict between the English and the Italian version, the latter will prevail.
It must be underlined that the present informal translation has been drawn up directly by the company on the grounds of the original Italian text. Please note that the Independent Auditing Firm has not drawn up any part of the present translation.

EXTERNAL AUDITORS' REPORT RELATING TO THE RATIO FOR THE EXCHANGE OF SHARES PURSUANT TO ARTICLE 2501 SEXIES OF THE ITALIAN CIVIL CODE

To the shareholders of
ASSICURAZIONI GENERALI S.p.A.

To the shareholders of
ALLEANZA ASSICURAZIONI S.p.A.

1. OBJECTIVE, SUBJECT AND SCOPE OF THE ENGAGEMENT

On 10 March 2009, we have been appointed by the Court of Trieste as common expert for Assicurazioni Generali S.p.A. (hereinafter "Generali" or the "Acquiring Company") and Alleanza Assicurazioni S.p.A. (hereinafter "Alleanza" and, together with Generali, the "Companies"), in accordance with Article 2501 *sexies* of the Italian Civil Code, with regard to the fairness of the exchange ratio (hereinafter "Exchange Ratio") between the ordinary shares of Generali and the ordinary shares of Alleanza within the framework of the incorporation of Alleanza and Toro Assicurazioni S.p.A. (hereinafter "Toro" and together with Alleanza the "merged Companies") into Generali (hereinafter the "Merger"). No exchange ratio has been established for the merger of Toro into Generali, since Generali holds all the shares of Toro, which will disappear as a result of the merger.

For the purposes of our appointment, we received the merger project from Generali and Alleanza (hereinafter the "Merger Project"), drafted pursuant to Article 2501 *ter* of the Italian Civil Code, accompanied by reports prepared by the directors of Generali and Alleanza (hereinafter the "Directors") which identify, explain and justify the Merger Project and, in particular, the Exchange Ratio between the shares of the companies, pursuant to Article 2501 *quinquies* of the Italian Civil Code and Article 70.2 of the Regulation adopted by CONSOB with deliberation no. 11971 of 14 May 1999, as subsequently amended. In accordance with the provisions of Article 2501 *quater* of the Italian Civil Code, the directors used as reference balance sheets for the Merger the balance sheets of the companies at 31 December 2008, corresponding to those included in the draft financial statements of the companies for the year ended 31 December 2008, approved by their respective boards of directors on 20 March 2009.

As planned in the Merger Project, the Merger will involve a maximum increase of EUR 146,906,790 in the share capital of Generali through the issue of 146,906,790 new ordinary shares with a unit par value of EUR 1.00 (one). Of the aforesaid shares, a maximum of 146,724,763 shares will be in favour of the exchange of the Alleanza shares issued on 20 March 2009 and not directly owned by Generali (including the Alleanza shares currently owned by Toro and by Alleanza), while a maximum of 182,027 shares will be in favour of the exchange of any Alleanza shares that might be issued before the legally effective date of the Merger (hereinafter the "Effective Date") as a result of exercise of the option linked to the stock option plans still in effect. During 2003, in fact, the Board of Directors of Alleanza, based on a mandate received from the shareholders in their annual general meeting of 24 April 2001, had deliberated a share capital increase in favour of the two stock option plans for a maximum of 1,200,000 shares with a unit par value of EUR 0.50. As of 20 March 2009, 551,596 options referring to those stock option plans were still exercisable, corresponding to the issue of 551,596 Alleanza shares with a unit par value of EUR 0.50.

The newly issued shares of the Acquiring Company to service the Merger will be assigned to the Alleanza shareholders in a ratio of:

0.33 newly-issued Generali ordinary shares, with a unit par value of EUR 1.00 (one), for each Alleanza ordinary share with a unit par value of EUR 0.50.

This Exchange Ratio was determined by the directors of Generali and Alleanza considering the fact that Alleanza and Generali would issue their respective dividends for 2008 before the Effective Date of the Merger.

The Merger Project will be submitted to the approval of an extraordinary meeting of Generali shareholders and of an extraordinary meeting of the Alleanza shareholders, which, as indicated by the directors in a press release of 20 March 2009, will be held indicatively within the end of July 2009. In the extraordinary meeting of Generali, the shareholders will be required to approve the Merger Project and will also be required to deliberate the aforesaid capital increase in favour of the Merger.

We completed our work on 19 May 2009, so all the data and information related to events subsequent to that date have not been considered for purposes of this report. We therefore assume no responsibility for updating this report to reflect events or circumstances that might have taken place subsequent to that date.

The purpose of this report is to provide the shareholders with information regarding the application of the valuation methods adopted by the Directors in determining the exchange ratio as part of the merger process and whether, under the circumstances, such methods are reasonable and not arbitrary.

We have not performed a valuation of the Company. This was done by the Directors and the Professional Advisors appointed by them. To this end, in carrying out our engagement, we have examined the valuation criteria adopted by the Board of Directors and the Professional Advisors in their application for the purpose of calculating the ratio for the exchange of shares.

In this respect, to determine the valuation methods, and thus the Exchange Ratio, the Board of Directors of Generali was assisted by Mediobanca – Banca di Credito Finanziario S.p.A. (hereinafter "Mediobanca") and UBS Investment Bank (hereinafter "UBS" and, together with

Mediobanca, the “Consultants of Generali”). Morgan Stanley & Co. Limited (hereinafter “Morgan Stanley”) also issued a fairness opinion on the Exchange Ratio on behalf of the Surviving Company during the Generali Board of Directors meeting where the Merger Project was approved.

For its part, the Board of Directors of Alleanza was assisted by BNP Paribas Corporate Finance (hereinafter “BNP”) and J.P. Morgan Plc (hereinafter “JP Morgan” and, together with BNP, the “Consultants of Alleanza”; these, together with the Consultants of Generali, the “Consultants”). The Board of Directors of Alleanza also took note of a fairness opinion on the Exchange Ratio issued on 19 March 2009 by Leonardo & Co., a Banca Leonardo group company, on behalf of the Internal Control Committee of Alleanza, which confirmed the fairness of the Exchange Ratio from a financial standpoint.

2. DESCRIPTION OF THE OPERATION

On 23 February 2009, the boards of directors of Generali, Alleanza and Toro approved the guidelines of the plan to reorganise the Generali Group, intended to culminate in the merger of Alleanza and Toro into Generali.

On 20 March 2009, the boards of directors of Generali and Alleanza approved the Merger Project, each for the part pertaining to it.

The Directors indicated that this operation is part of the business plan presented by Generali to the financial community back in September 2007, which provides the reorganisation of the Generali Group in Italy and the improvement of the Toro group and the real estate activities and investments of the Generali Group.

As indicated by the Directors in their respective reports, the Generali Group reorganisation plan will seek to:

- simplify the corporate and organization structure in Italy and rationalize operating processes;
- create a strong insurance provider by merging two specialists complementary in their products, distribution channels, organisation, human resources and customers. The operation will also enable the Group to market Alleanza-brand insurance products in the P&C sector and strengthen the offering of Toro-brand products in the life sector;
- create an insurance operator unique in its characteristics and distribution force by combining the agent network currently operating for Toro with the current network of employed salespeople of Alleanza;
- increase operating efficiency by fully integrating this new insurance entity into the operational world of the Generali Group; and
- optimize the allocation of capital and improve management of Generali Group liquidity.

The reorganisation plan of the Generali Group also calls for Toro to spin off its insurance company in favour of a newly-formed company called Alleanza Toro S.p.A., and for Alleanza to spin off a unit of its insurance company in favour of Alleanza Toro S.p.A.. According to the reorganisation plan, the aforesaid contributions—which have no effect on determination of the Exchange Ratio—will become effective on the day preceding the Effective Date, and subject to registering of the merger act in the competent Company Register.

As of the Effective Date, all the shares of the merged companies will be cancelled according to the following procedure:

a) cancellation without exchange of the Alleanza ordinary shares, which at the Effective Date will be directly owned by Generali, pursuant to Article 2504 *ter*, § 2, of the Italian Civil Code;

b) cancellation without exchange of the Toro ordinary shares owned by Generali, representing the entire capital of the company, pursuant to Article 2504 *ter*, § 2, of the Italian Civil Code; and

c) cancellation of the Alleanza shares owned by parties other than Generali, with assignment to those shareholders of a number of Generali ordinary shares, newly issued, computed according to the Exchange Ratio.

The following will be contributed to Alleanza Toro S.p.A.:

- the own shares currently held by Alleanza which are not sold and/or assigned to the beneficiaries of the aforesaid stock option plans before the finalization date of the aforesaid contributions;
- the 40,000 Generali shares, and the 1,014,577 Alleanza shares, owned by Toro.

Assessment by the Generali Board of Directors on exercise of the right of withdrawal

Considering that the Generali shares are, and will remain after the Merger, listed on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A., the Board of Directors of Generali felt that no assumption existed for exercise by the Alleanza shareholders of the right of withdrawal provided by Article 2437 *quinquies* of the Italian Civil Code.

The Board of Directors of Generali also felt that the Merger did not create the assumption for granting the right of withdrawal pursuant to Article 2437.1a) and g) of the Italian Civil Code, since the company object of Generali and Alleanza contemplates the exercise of underwriting activity and the companies have issued only ordinary shares—and in the case of Generali only ordinary shares will be issued as part of the Merger.

The Board of Directors of Generali also felt that the other assumptions indicated in Article 2437 of the Italian Civil Code for exercising the right of withdrawal did not exist.

3. DOCUMENTATION USED

In performing our work, we obtained the documents as were considered useful in the circumstances from Generali, Alleanza, the consultants of Generali and the consultants of Alleanza. More specifically, we obtained the following documents:

a. the Merger Project and the reports of the boards of directors of Generali and Alleanza (hereinafter the “Reports”), approved in their meetings of 20 March 2009, which propose the following Exchange Ratio:

   0.33 newly-issued Generali ordinary shares, with a unit par value of EUR 1.00 (one), for each Alleanza ordinary share with a unit par value of EUR 0.50.

That Exchange Ratio has been determined by the Directors also using the indications provided in the fairness opinions specified in points b. to g. below.

b. The fairness opinion and supporting valuation documents, dated 20 March 2009, prepared by Mediobanca.

c. The fairness opinion and supporting valuation documents, dated 20 March 2009, prepared by UBS.

d. The fairness opinion and supporting valuation documents, dated 20 March 2009, prepared by Morgan Stanley.

e. The fairness opinion and the supporting valuation documents, dated 20 March 2009, prepared by BNP.

f. The fairness opinion and supporting valuation documents, dated 20 March 2009, prepared by JP Morgan.

g. The fairness opinion and supporting valuation documents, dated 19 March 2009, prepared by Leonardo & Co.

h. The following further principal documentation:

- articles of association of Generali and Alleanza;
- 2008 financial statements of Generali and Alleanza, approved by their respective shareholders in the annual general meetings of 24 April 2009 and 22 April 2009, respectively, the 2008 consolidated financial statements of Generali and Alleanza, with the reports of their respective boards of directors and statutory audit committees and respective independent auditors, as well as the reporting packages of the principal subsidiaries Generali used in preparing the 2008 consolidated financial statements of Generali;
- separate and consolidated reports of Generali and Alleanza for the six months ended 30 June 2008, prepared in conformity with the directives in force on interim reporting by listed companies, accompanied by reports of their respective independent auditors;
- separate and consolidated financial statements of Generali, separate and consolidated financial statements of Alleanza and financial statements of the principal subsidiaries of Generali for the year ended 31 December 2007, accompanied by the reports of their respective boards of directors, statutory audit committees and independent auditors;
- consolidated reports of Generali and Alleanza for the quarter ended 31 March 2009;
- financial projections prepared by the management of Generali and Alleanza for financial years 2009-2011 regarding the principal income statement and balance sheet items;
- reports prepared by a leading actuarial firm verifying the reliability of the estimate of the business in force and new business of the life insurance contract portfolios of the Generali Group and Alleanza at 31 December 2008, prepared by the company managements;
- documentation on the solvency margins of Generali and Alleanza at 31 December 2008, prepared by the companies;
- appraisals at 31 December 2009 of the real property assets of Generali Properties S.p.A. (hereinafter "Generali Properties") and Alleanza, prepared by Patrigest S.p.A., and the

principal properties located in France and Germany, prepared by other independent appraisers;

- recent financial research and analysis on Generali and Alleanza published by brokers and investment banks;
- research, official documents and analyses regarding firms operating in the insurance and financial sectors;
- information regarding stock market performance obtained through specialized databases;
- press releases to the market by the Companies regarding the Merger;
- details and computation tables prepared by the Consultants of the Companies used in the preparation of the respective fairness opinions.

1. Accounting and statistical information and any other documentation considered relevant to the purposes of this report.

We also have obtained representations that, as far as the Directors of the Company are aware, there have been no significant changes to the figures and information which we considered during our analysis.

4. VALUATION METHODS ADOPTED BY THE DIRECTORS TO DETERMINE THE EXCHANGE RATIO

4.1 Methodological Considerations

In determining the Exchange Ratio, also based on the indications of their respective Consultants, the Directors identified several valuation methods and criteria, both analytical and market-based, which, considering the distinctive characteristics of the Companies, and the type of operations and reference markets in which they operate, present in their judgment established doctrinal and application bases, at both the national and international levels, and enable the two companies to be valued on a consistent basis.

According to current best valuation practice, the fundamental requirement for obtaining significant, comparable values for purposes of merger operations, in fact, is the uniformity and comparability of the methods applied, consistent with the characteristics of the companies and/or groups being valued.

The valuations were therefore made with a view to express a comparative estimate of the values of the Companies, in terms of consistency and comparability of the methods followed in determining the absolute values of the Companies considered stand-alone. In this regard, the Directors indicate that those valuations should be considered only in relative terms and with exclusive reference to the Merger and that, in particular, the valuation methods and consequent values were determined for the sole purpose of indicating a range for determining the Exchange Ratio deemed fair for purposes of the Merger, and that in no case should the valuations be considered as possible indications of market price or absolute value, current or future, nor taken as a reference in a context other than the one in question.

The valuations were also made from a stand-alone approach, without considering any synergies that might derive from the Merger.

The Directors, in their valuations, considered that Alleanza and Generali would pay their 2008 dividends before the Effective Date and, in particular, that Generali would distribute a cash dividend of EUR 0.15 per share and assign a script dividend of 1 Generali ordinary share for every 25 shares owned, and that Alleanza would distribute a cash dividend of EUR 0.30 per share. The distribution of those dividends was, in effect, deliberated by the shareholders of Generali and Alleanza in their Annual General Meetings held on 24 April 2009 and 22 April 2009, respectively.

The following section illustrates the methods used by the Directors, also based on the indications of their respective Consultants, for estimating the value of the Companies participating in the Merger for purposes of determining the Exchange Ratio.

4.1.1. Methods used by the directors of Generali

The directors of Generali, also based on the indications of their Consultants, felt it was appropriate , in order to estimate the value of the Companies participating in the Merger for determining the Exchange Ratio, to use the following criteria:

- Market criteria:
  - Market price method;
  - Market multiples method;
  - Regression analysis.
- Analytical criteria:
  - Sum of the parts method (hereinafter “SoP”), based on which the value of a company is equal to the sum of the values attributable to its various component business areas. This method, commonly used in international practice, is suitable for valuing entities that operate through multiple business lines, since it considers the expected return and risk of each.

The directors of Generali considered the aforesaid criteria as a necessary part of a single valuation process, so an analysis of the results obtained with each method independently was interpreted in light of the complementariness created with the other criteria within a unitary valuation process.

As a control method for verifying the Exchange Ratio, the directors of Generali also applied an analysis of target prices for the Generali and Alleanza stocks published by the principal investment banks.

The reference date for the valuations of the Companies analysed by the directors of Generali was 17 March 2009.

4.1.2. Methods followed by the directors of Alleanza

The directors of Alleanza, also based on the indications of their Consultants, deemed it appropriate to estimate the value of the Companies participating in the Merger for determining the Exchange Ratio using:

- Market criteria:
  - Market price method;
  - Market multiples method;
  - Regression analysis;
  - Analysis of the exchange ratios implicit in the target prices of the Generali and Alleanza stocks published by the principal brokers of those securities.
- Analytical criteria:
  - Sum of the parts method.

The Alleanza directors considered these criteria as an inseparable part of a single valuation process, so an analysis of the results obtained with each method independently was interpreted in light of the complementariness created with the other criteria within a unitary valuation process.

The reference date for the valuations of the Companies analysed by the directors of Alleanza was 20 March 2009.

4.2 Description of the valuation methods

4.2.1. Market criteria

Market price method

The market price method determines the value of the company being valued on the basis of the capitalization of the shares traded in regulated equity markets, representative of the company in question. This method is considered important for valuing listed companies when the stock in question is highly liquid.

In applying this method, a proper balance must be found between the need to mitigate the effect of volatility in daily prices, by observing sufficiently extended time horizons, and the need to use a current figure, indicative of a recent market value for the company being valued. Professional doctrine and practice in this regard suggest considering the results derived from market prices by computing averages on various time horizons.

In the case in question, the relationship between the market prices at which the Alleanza and Generali shares were traded makes it possible to derive an implicit exchange ratio as a function of the various time horizons considered. The Directors also felt that the market prices (expressed by the official prices established by Borsa Italiana S.p.A.) of Generali and Alleanza were significant, considering the high levels of capitalization and liquidity of both companies, the extended coverage by brokers and the principal investment banks, and the presence of widespread ownership by national and international institutional investors.

In this regard, the Directors drew upon the work of their respective consultants.

Application of the market price method by the Consultants involved computation of the exchange ratios based on the relative official prices of Generali and Alleanza; the exchange ratios were computed with reference to various time horizons through 13 February 2009. That was considered the latest date useful for applying this methodology, since the market prices of Alleanza and Generali were heavily influenced thereafter by market speculation on the possible announcement of the Merger or a similar operation. We would note, in this regard, that the joint press release by Alleanza and Generali regarding the Merger was issued on 17 February 2009.

The Consultants considered 1, 3, 6 and 12 months as time horizons. The purpose of choosing those reference periods, in addition to observing the closing prices at 13 February 2009, was to neutralize any short-term fluctuation in the prices of the two stocks, while at the same time assigning adequate importance to the latest trading prices.

Market multiples method

Under the market multiples method, the value of a company depends on indications provided by the stock market with regard to companies with similar characteristics to the one being valued.

The method is based on the determination of multiples computed as ratios between market prices and financial statement values for a sample of comparable companies. These multiples, appropriately supplemented and adjusted, are applied to the corresponding values of the company being valued, to estimate a range of values for it.

This method is applied in the following steps:

1. Selection of a reference sample.

   Given the nature of this method, the operational and financial affinity between the companies included in the reference sample and the companies being valued is particularly critical. The significance of the results, in fact, depends strictly on the comparability of the companies in the sample. The selected stocks must also present a good degree of liquidity and not relate to companies whose share prices might be influenced by special contingent situations.

   In applying this method, the directors of Generali and Alleanza drew upon the work of their respective Consultants.

   The Consultants of Generali felt it advisable to have two distinct samples of comparable companies associated with the peculiarities and specific areas of activity, size, geographical position, and business models of the two Companies being analysed. In particular:

   - the sample selected for Generali includes the principal European insurance groups by market capitalization, with a multiline business and differentiated distribution channels: AXA SA, Allianz SE, Aviva Plc and Zurich Financial Services AG;

   - The sample selected for Alleanza includes a few European insurance groups specialized in life underwriting and/or a distribution model focused on a network of agents and/or financial advisors: CNP Assurances SA, Friends Provident Plc, Mediolanum S.p.A. and Standard Life Plc.

The same samples were used by the Consultants of Alleanza who, just for the valuation of Alleanza, also considered Legal & General Group Plc and Prudential Plc in addition to the aforesaid companies, selecting CNP Assurances SA and Mediolanum S.p.A. as the companies most comparable within the sample.

2. Computation of fundamental ratios deemed significant.

   For each company in the sample, the Consultants considered the multiples deemed most significant for analysis. These multiples were chosen on the basis of characteristics linked to the insurance business and the current market context. To that end, they selected Price/Embedded Value per share (P/EV) as the most representative multiple. In a market moment of such highly volatile profits, due in part to write-downs and other nonrecurring factors (reflected both in profit and loss and directly in equity), in fact, the consultants felt that Embedded Value provided the best representation in terms of comparability of the various companies.

   In particular, the Consultants of Generali and Alleanza used the arithmetical average for the last month before the valuation date as a reference time interval for the market prices.

3. Application of the selected multiples to the profit and net asset values of the companies being valued, so as to arrive at a range of values for those companies.

   To estimate the value of the company, the Consultants of Generali applied the average values of the P/EV multiples, computed for the comparable companies for the years 2007-2010, to the historical and/or projected amounts relative to the embedded values of Generali and Alleanza.

   The Consultants of Alleanza, in turn, applied the average and median values for Generali and the minimums and maximums of the P/EV multiples for Alleanza, computed for the relative comparable companies for the years 2008-2010, to the historical and/or projected amounts relative to the Embedded Value of Generali and Alleanza.

Regression analysis

The regression analysis method estimates the values of an insurance company based on the existing correlation, for a sample of comparable companies, between the future profitability of the company considered (expressed in this specific case by Return on Embedded Value - RoEV) and the relative premium/discount expressed by the market prices with respect to Embedded Value (P/EV). From an analysis of these values, one can derive a P/EV multiple that can be associated with the future profitability of the company being valued.

In applying this method, the directors of Generali and Alleanza drew upon the work of their respective Consultants.

The Consultants of Generali, in applying the regression analysis method, employed the same samples used in applying the market multiples method, considering the 2010 RoEV significant compared to the 2009 P/EV. To determine the 2009 P/EV to apply to the Embedded Value expected for 2009 for Generali and Alleanza, they used the respective expected RoEVs for 2010, considering both the actual expected data and the normalized values.

To apply the regression analysis method, the Consultants of Alleanza considered a single reference sample, with respect to the market multiples method, for both Alleanza and Generali, considering as significant 2009 RoEV compared to 2008 P/EV, 2010 RoEV compared to 2009 P/EV, and 2011 RoEV compared to 2010 P/EV. To determine the 2008, 2009 and 2010 P/EV multiples to apply to the historical and projected amounts of Embedded Value for Generali and Alleanza, and to derive the relative returns, they used the respective expected RoEVs of the two companies, for 2009, 2010 and 2011, considering a normalization of those data.

Analysis of the exchange ratios implicit in the target prices of the Generali and Alleanza stocks

In applying this method, the directors of Generali and Alleanza drew upon the work of their respective Consultants.

With this method, the Consultants compared the valuations Generali and Alleanza derived from the research published by brokers and leading national and international investment banks to compare their relative target prices, deriving a range of exchange ratios.

The directors of Generali and their Consultants, who applied that methodology only for control purposes, considered the research on both Alleanza and Generali published after 18 December 2008 (date of Generali's announcement of the new 2009 guidelines).

The Consultants of Alleanza considered the research on both Alleanza and Generali published after 1 January 2009 and until 13 February 2009.

4.2.1. Analytical criteria

4.2.1.1. Sum of the Parts Method (“SoP”)

In applying this method, the directors of Generali and Alleanza drew upon the work of their respective Consultants.

Based on the Sum of the Parts method, the Consultants determined the values of Generali and Alleanza as the sum of the values of the individual business areas identifiable for each company, considered as separately valuable economic entities. The following valuation methods were used to value the individual activities, taking into account the profitability and contribution of each group activity:

(a) estimate of the Appraisal Value for life insurance activity;

(b) the Dividend Discount Model (“DDM”) for the P&C insurance activities and for the activities related to Generali's financial segment; and

(c) valuation on the basis of Adjusted Net Asset Value (“ANAV”) for the real estate portfolio management activity common to Generali and Alleanza (in particular, the interest in Generali Properties). The ANAV was estimated based on property appraisals updated to 31 December 2008.

The Generali business areas to which the Consultants applied the aforesaid methodologies can be summarized as follows:

(a) life insurance activity;

(b) P&C insurance activity;

(c) financial services area, including the asset management/asset gathering and private banking activities of the Generali Group;

(d) majority interest in Generali Properties.

In valuing Generali, the Consultants also considered the holding and residuals activity, not already allocated to the aforementioned activities. Those activities were valued by discounting the associated income flows.

The business areas of Alleanza to which the Consultants applied the aforesaid activities can be summarized as follows:

(a) Alleanza Core (life insurance activity through the agent network);

(b) Intesa Vita (life bancassurance activity through part of the Intesa Sanpaolo banking group);

(c) minority interest in Generali Properties.

The values underlying the SoP method applied by the Consultants were based on balance sheet, income and actuarial values of Generali and Alleanza referring to 31 December 2008 and on projections provided by the management of the two companies for the years 2009 to 2011 for those same balance sheet, income and actuarial quantities.

The following is an illustration of the methods selected by the Directors, also based on indications from their respective Consultants, to value the activities of Generali and Alleanza by the SoP method.

Appraisal Value Method

This methodology, in agreement with professional valuation doctrine and practice, is applied in evaluating insurance companies operating in the life sector. In this specific case, the Directors selected this method for estimating the value of the life activities of Generali and Alleanza.

According to the Appraisal Value method, the value of an insurance company ("*W*") is computed with the following formula:

$$W = EV + VFB$$

where:

EV = Embedded Value = adjusted net asset value (ANAV) + value of business in-force (VIF)

ANAV = book value of adjusted net assets, computed the same as the book value of net assets at the estimate reference date, adjusted to reflect the value of intangibles, deferred acquisition costs, and differences between the current value of assets and liabilities and the corresponding values reported in the financial statements, excluding the components already considered in determining VIF, net of the relative tax effects.

VIF = intrinsic value of the life portfolio, estimated on the basis of the actual current value of future profits on the life portfolio existing at the valuation date.

In this specific case:

- the EV of the life sector of the Generali Group at 31 December 2008 was determined by the management of Generali and submitted for verification by a leading actuarial firm;

- the EV of the life sector of Alleanza at 31 December 2008 was determined by the management of Alleanza and submitted for verification by a leading actuarial firm.

VFB = value of future life production (value of future business).

For determining this value, the directors of Generali and Alleanza drew upon the work of their respective consultants.

In this specific case, the VFB of Generali and Alleanza was determined:

- by the Consultants of Generali by discounting the values of new production expected in the period 2009-2011, projected by the Companies management, also considering the cost of capital and the terminal value of the portfolio, estimated by the perpetual growth method, based on a long-period growth rate of 2%;
- by the Consultants of Alleanza through a number of methods:
  - application of multiples deemed adequate, based on indications contained in the research reports of brokers and leading investment banks, to the value of expected new production, projected by the Companies management;
  - determination of "theoretical" multiples as a function of assumptions of the cost of capital (k_e) and expected long-term growth to be applied to the VFB, provided by the Companies management;
  - discounting the VFB projections for 2009–2011, prepared by the Companies management, and their normalization on a medium-term time horizon, as well as the terminal value, estimated by the perpetual growth method, based on a long-term growth rate of 2%.

The Consultants computed present value based on the cost of capital (k_e) using the capital asset pricing model (CAPM), according to the following formula:

$$i = R_f + Beta*(R_m - R_f)$$

where:

R_f = rate of return on risk-free investments. In this regard:

- the Consultants of Generali considered R_f equal to the return on 10-year BTPs maturing on 1 March 2019, equal to 4.5% (Source: *Il Sole 24 Ore* of 17 March 2009);
- the Consultants of Alleanza considered R_f equal to the return on ten-year government issues of between 3.70% and 4.42% for Generali and 4.42% and 4.50% for Alleanza (Source: Datastream, JP Morgan M&A Research).

$R_m – R_f$ = risk premium demanded by the market. In this regard:

- the Consultants of Generali considered a risk premium of 6.0%;
- the Consultants of Alleanza considered a risk premium of between 8.50% and 8.84% for Generali and between 8.84% and 9.70% for Alleanza.

Beta = factor of correlation between the actual return on a share and the overall return of the reference market (measures the volatility of a security vs the market). In this regard:

- the Consultants of Generali considered a beta of 1.218 for Generali and of 1.241 for Alleanza (Source: Global MSCI Barra, February 2009);

- the Consultants of Alleanza considered a beta of between 1.00 and 1.089 for Generali and between 0.978 and 1.10 for Alleanza (Source: European MSCI Barra, March 2009).

In light of the foregoing, the cost of risk capital was estimated:

- by the Consultants of Generali as 11.8% for Generali and 11.9% for Alleanza;
- by the Consultants of Alleanza at between 12.2% and 14.1% for Generali and between 13.1% and 15.2% for Alleanza, the latter used solely for computing VFB and not for the company as a whole.

For valuing the VFB of Generali and Alleanza, the Consultants of Alleanza considered an additional risk premium of between 0% and 2%.

Dividend Discount Model (DDM)

This method was selected by the Directors to estimate the values of the P&C activity and the financial sector of Generali.

P&C sector of Generali

To value the P&C sector of Generali, the Directors considered the Excess Capital version of the Dividend Discount Model, which assumes that the value of a company ("*W*") can be found by applying the following formula:

$$W = \sum_{t=1}^{n} \frac{DIV_t}{(1+i)^t} + VT_a$$

where:

- DIV_t = flows distributable to the shareholders on the time horizon selected on the basis of planning (hereinafter "Explicit Period") so as not to diminish the level of capital necessary to maintain expected future development required for regulatory purposes;
- VT_a = terminal value ("Terminal Value") computed as the value of perpetual income estimated on the basis of a normalized flow economically sustainable and consistent with the long-term growth rate ("g");
- i = discount rate represented by the cost of capital (k_e).

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To estimate the dividends distributable to shareholders, the directors of Generali and Alleanza drew upon the work of their respective Consultants.

In this specific case:

- the Consultants of Generali considered the 2009-2011 economic-financial projections of activity in the P&C sector provided by the management of Generali and maintaining a level of solvency margin coverage that would ensure a level of capital greater than required by the supervisory authorities;
- the Consultants of Alleanza considered the 2009-2011 economic-financial projections for the P&C sector provided by the management of Generali, a normalization of those values on a medium-term time horizon, and maintaining a level of solvency margin coverage that would ensure a level of capital greater than required by the supervisory authorities.

The Terminal Value was determined by the Directors' Consultants on the basis of the present value of perpetual income based on an estimate of the normalized cash flows constantly distributable over the long period, complying with the capital requirements and a growth rate "g" equal to 2%.

The flows distributable to shareholders were discounted by the Directors' Consultants at the rates computed in valuing the life sector of Generali, without considering any premiums for the additional risk used in valuing the VFB of the life sector.

Financial sector of Generali

With reference to the financial sector of Generali, the directors of Generali considered the pure DDM, which discounts the flows based on the dividend policy estimated for the business. In particular, the directors of Generali drew upon the work carried out by their Consultants, who considered:

- the present value of the dividends distributable in 2009-2011, determined on the basis of the 2009-2011 economic-financial projections provided by the management of Generali and a sustainable payout ratio;
- the present value of the terminal value determined using the perpetual growth method based on a long-term growth rate of 2%;
- the k_e of Generali indicated above;
- the minimum capital to be allocated to this activity.

The directors of Alleanza drew upon the work of their Consultants, who considered a number of methods:

- DDM based on the following assumptions:
  - cash flows distributable to shareholders in the selected time horizon determined on the basis of the 2009-2011 economic-financial projections prepared by the management of Generali and a normalization of those values on a medium-term time horizon, considering the minimum capital to be allocated to this sector;
  - Terminal Value computed as the value of perpetual income estimated on the basis of an economically sustainable normalized distributable cash flow and a growth rate "g" equal to 3%;
- market multiples deemed adequate for this category of activity (Price/Net Earnings) determined based on a sample of comparable companies.

To better appreciate the sensitivity of the values obtained with respect to the values used, the Directors performed sensitivity analyses. To that end, the Directors drew upon the work of their Consultants, who performed sensitivity analyses of the long-period growth rate, the discount rate, the level of capital allocated to the sectors of activity, the expected profits, and the values per share found by applying the various methods.

5. VALUATION PROBLEMS ENCOUNTERED BY THE DIRECTORS

5.1 Valuation problems encountered by the directors of Generali

The valuations performed by the Board of Directors of Generali, also with the assistance and support of their consultants, must be considered in light of the following caveats, as indicated by the directors of Generali in their report:

- use of economic-financial projections that by their nature present aspects of uncertainty, linked in part, in this case, to the current market conditions;
- valuation of insurance activity in the life sector based on estimates of Embedded Value at 31 December 2008 of Generali and Alleanza, verified by an independent actuary;
- application of various methods, analytical and empirical, that required the use of different data and parameters. In applying these methods, the directors of Generali report that they considered the characteristics and limitations implicit in each of them, based on the professional valuation practice, national and international, normally followed for the reference sectors;
- current international financial context, characterized by extreme volatility, with impact sometimes significant and potentially unpredictable, not only on the market prices of the comparable companies selected for applying the market methods but also on such important balance sheet quantities as ANAV and Embedded Value. In this regard, the directors of Generali indicate that the different characteristics of the business models lead to potentially different consequences for the two companies due to changes in the exogenous variables linked to the markets.

5.2 Valuation problems encountered by the directors of Alleanza

The valuations performed by the Board of Directors of Alleanza, also with the assistance and support of their Consultants, must be considered in light of the following valuation limitations and difficulties, as indicated by the directors of Alleanza in their report:

- forecast data, estimates and economic-financial projections used for the purpose of relative valuations that, by their nature, present aspects of uncertainty regarding the actual predictability of expected future operating and profit performance, due in part to possible changes in the reference context;
- high volatility of the financial markets, also considering the current market context, sometimes with significant but unpredictable impact, not only with regard to the market prices of the companies considered but also with respect to the balance sheet and income statement quantities, such as ANAV and Embedded Value. In this regard, the directors of Alleanza indicate that the different characteristics of the business models also lead to potentially different consequences for the two companies considered because of changes in the exogenous market-linked variables;
- valuation methods based on estimates of the Embedded Value of Alleanza and Generali at 31 December 2008, which refer to internal estimates of Embedded Value not yet verified by an external actuary at the approval date of the Merger Project (20 March 2009);
- use, in the valuations, of the draft 2008 separate and consolidated financial statements of Generali and assumptions about the distribution of dividend for the year, at 20 March 2009, that has not yet been submitted for approval to the Board of Directors and annual general meeting of Generali shareholders. Also, at that date, the independent auditors had not yet issued their reports;
- use, for valuation purposes, of the draft 2008 separate and consolidated financial statements of Alleanza and assumptions about the distribution of the dividend for the year approved 20 March 2009 by the Board of Directors of Alleanza but still subject, insofar as the financial statements are concerned, to the approval of Alleanza shareholders in the annual general meeting. Furthermore, at 20 March 2009 the independent auditors had not yet issued their reports;
- application of different methodologies, analytical and market-based, that required the use of different data and parameters. In applying those methods, the directors of Alleanza report that they considered the characteristics and limitations implicit in each of them, based on professional valuation practice, national and international.

6. RESULTS OF VALUATIONS PERFORMED BY THE DIRECTORS

6.1 Results of the valuation performed by the Generali directors

The valuation methods used by the Consultants of Generali led to the identification of the following ranges of values per company share:

Generali		
Values rounded	**Value per share ex-dividend**(*) ***in EUR***	
	Min	**Max**
Market price method	14.5	19.1
Market multiples method	11.7-12.1	14.1-14.2
Regression analysis	11.4	15.3
Sum of the parts method	24.2-26.1	37.0-37.4

(*) Generali dividend equal to EUR 0.15 per share in cash and 1 share for each 25 Generali ordinary shares owned.

Alleanza		
Values rounded	**Value per share ex-dividend**(*) ***in EUR***	
	Min	**Max**
Market price method	5.2	5.5
Market multiples method	4.2	4.3-4.4
Regression analysis	5.0	5.0
Sum of the parts method	8.7-9.5	11.8-12.2

(*) Alleanza dividend equal to EUR 0.30 per share in cash.

Based on the relative estimated values of Generali and Alleanza determined by applying the foregoing methods, the directors of Generali determined narrow ranges of Exchange Ratio for each method, defined by comparing the ranges determined by the individual Consultants of Generali, also considering, for those methods, the exchange ratio ranges computed by Morgan Stanley.

Exchange Ratio Ranges(*)

	No. Generali shares – No. Alleanza shares	
	Min	**Max**
Market price method	0.29	0.36
Market multiples method	0.31	0.35
Regression line analysis	0.33	0.40
Sum of the parts method	0.32	0.36

(*) To determine the Exchange Ratio ranges, the maximum values per share of Alleanza and Generali for each method were compared to the minimum values per share, determined by the Generali Consultants in applying the methods.

Application of the control method (analysis of the target prices of analysts) led the directors of Generali to identify an Exchange Ratio of between 0.28 and 0.38 Generali shares for each Alleanza share.

The directors of Generali, in their report, felt it appropriate to indicate only the Exchange Ratio ranges derived from the consistent application of each valuation method used and not the absolute values of each, since only the former were deemed representative, partly in light of the current market conditions, considering that an essential condition for determining an exchange ratio is quantification of the relative value of the individual companies being merged with the final objective of arriving at uniform values comparable in relative terms, rather than the determination of an absolute value for each of them.

6.2 Results of the valuation by the Alleanza directors

The valuation methods used by the Consultants of Alleanza led them to identify the following ranges of values per share for the Companies:

Generali		
Values rounded	**Value per share ex-dividend[(*)]** ***in EUR***	
	Min	**Max**
Market price method	14.5	22.1
Market multiples method	12.6	15.5
Regression analysis	11.1	13.0
Analysis of the target price	13.0-19.3	19.3-28.0
Sum of the parts method	21.3-24.2	25.1-26.9

[(*)] Generali dividend equal to EUR 0.15 per share in cash and 1 share for each 25 Generali ordinary shares owned.

Alleanza		
Values rounded	**Value per share ex-dividend [(*)]** ***in EUR***	
	Min	**Max**
Market price method	5.1	6.4
Market multiples method	4.0	5.2
Regression analysis	2.8	4.3
Analysis of target prices	4.9-6.3	6.3-7.8
Sum of the parts method	7.3-7.8	7.8-9.0

[(*)] Alleanza dividend equal to EUR 0.30 per share in cash.

Based on the estimates of the relative values of Generali and Alleanza derived by applying the foregoing methods, the directors of Alleanza determined the following Exchange Ratio ranges:

Exchange Ratio Ranges(*)		
	No. Generali shares – No. Alleanza shares	
	Min	Max
Market price method	0.29	0.36
Market multiples method	0.31	0.33
Regression line analysis	0.26	0.33
Analysis of target prices	0.28	0.38
Sum of the parts method	0.32	0.34

(*) To identify the Exchange Ratio ranges, the maximum values per share of Alleanza and Generali for each method were compared to the minimum values per share for Alleanza and Generali, as determined by the Consultants of Alleanza applying the methods.

The directors of Alleanza felt it was appropriate to indicate in their illustrative report only the Exchange Ratio ranges, derived from consistent application of the valuation methods used, and not the absolute values resulting from them, since only the former were deemed representative, also in light of the current market conditions, considering that the essential condition for determining an exchange ratio is the quantification of the relative value of the individual companies being merged, with the final objective of arriving at uniform values comparable in relative terms, rather than the determination of an absolute value for each of them.

6.3 Determination of the Exchange Ratio

At the conclusion of the aforesaid valuation process and the logical comparison of the results obtained by applying the various valuation methods selected with the assistance of their Consultants, considering the results of the fairness opinion issued by Morgan Stanley and taking note of the fairness opinion issued by Leonardo & Co, the directors of Generali and Alleanza established the following Exchange Ratio, which determines the number of newly-issued shares of the Acquiring Company to service Merger:

0.33 newly-issued Generali ordinary shares, with a unit par value of EUR 1.00 (one), for each Alleanza ordinary share with a unit par value of EUR 0.50.

7. WORK DONE

(a) Work on the documentation mentioned in section 3 above.

With reference to the documentation used, these procedures were followed:

- The valuation methods used by the Directors, also based on the indications of their respective consultants, assume as a reference base—pursuant to Article 2501 *quater* of the Italian Civil Code—the balance sheet situations of Generali and Alleanza at 31 December 2008, corresponding to those included in the respective 2008 financial statements of the Companies. Therefore, with reference to those financial statements, we interviewed the management of the Companies and their respective independent auditors to understand the accounting principles used and most important accounting issues involved in preparing the financial statements, also performing an analytical review of the amounts reported and financial ratios derived from financial statements, as well as comparisons of the variances in those amounts and ratios from those reported in the 2007 financial statements and the six-month reports at 30 June 2008.

  We performed such procedures as were necessary to fulfill the objective of our engagement as indicated in section 1 above.

  We have also met with company management and their respective independent auditors to obtain information about events occurring since the Balance Sheet date that could have a significant effect on the purposes of our engagement.

- Acknowledging the uncertainty and limitations connected with all types of projection; we discussed with the management of Generali and Alleanza the criteria followed in preparing the 2009-2011 financial projections, also to verify that consistent criteria were applied in determining their respective projected data.
- Lastly, we analysed the documentation listed in section 3 above.

(b) Work done on the methods used to determine the Exchange Ratio

Regarding the methods used by the Directors, also based on the indications of their respective Consultants, to estimate the values of the Companies and, therefore, the Exchange Ratio, we conducted a critical examination of the methods, collecting information useful for ascertaining that those methods were technically appropriate, in the specific circumstances, to determine the Exchange Ratio and preserve the criterion of valuation uniformity.

We also carried out the following procedures:

- verified that the rationales cited by the Directors for the valuation methods used in determining the Exchange Ratio were complete and uniform;
- verified that the valuation methods were uniformly applied;
- verified the conformity of the data used with the reference sources and the documentation used, as described in section 3 above;

- verified the correctness of the arithmetics for computing the ranges found by the Directors for determining the Exchange Ratio, also based on the indication of their respective Consultants;
- performed a sensitivity analysis in relation to the valuation methods adopted with the objective of determining its impact on the Exchange Ratio as the assumptions, parameters and weights used by the Consultants varied;
- interviewed the Consultants of the Companies, with whom we discussed the analyses they performed on the companies being valued, with particular reference to the parameters considered in each valuation and the degree of sustainability the Consultants assigned to the assumptions on which the financial projections were based.

8. COMMENTS ON THE SUITABILITY OF THE METHODS USED AND THE ACCURACY OF ACCOUNTING ESTIMATES

Consistent with the purpose of the valuations, the Directors favoured methods that ensure comparable values for the Companies for determining the Exchange Ratio. For this purpose, they followed the principle of valuation uniformity required in mergers through the use for each company of methods and/or parameters that emphasize their particular characteristics and value creation drivers. Although, in fact, they operate in the same sector, the Companies have different dimensional, operational and organizational characteristics, as well as business areas, deriving in the case of Generali in part from the various entities that constitute the Group and the various geographical areas in which they operate. These aspects convinced the Directors to use different parameters and/or valuation methods to value the Companies that would emphasize their specificities, including:

- the different level of capitalization of Generali as a whole compared to that of Alleanza considered individually;
- the financial activity (asset management, asset gathering and private banking) of the Generali Group, which presents characteristics and levels of stability different from traditional insurance activity.

To determine the Exchange Ratio, the Directors drew upon their Consultants, who conducted their valuations autonomously. The choice of the valuation methods and parameters made by the Consultants of the Companies, though with some aspects of differentiation, still led them to consider the Exchange Ratio fair from the financial point of view.

Having said this, we would express the following considerations in this regard:

- The valuations were conducted by the Directors on a stand-alone basis, so the results of the analysis reflect no consideration of any operational synergies deriving from the Merger, which might generate incremental value for the shareholders. This approach is generally followed in similar valuations and is standard practice in merger operations.
- The methods adopted by the Directors to value the Companies are widely accepted and used in the insurance, finance and real estate sectors, both nationally and internationally. The Companies were valued employing a number of methods, according to an approach approved in practice, since it also subjects the relative values for each company to verification. The methods adopted should not be analysed separately, however, but

considered as indivisible parts of a single valuation process. As part of the subjectivity of any valuator, the directors of Generali, also with the support of their Consultants, applied the method based on market references derived from target prices solely for control purposes. The directors of Alleanza, also with the support of their Consultants, on the other hand, considered no control methods. We should note, in this regard, that: (i) the control methodology adopted by the directors of Generali was also adopted by the directors of Alleanza as part of their so-called principal methodologies and (ii) in the approach taken by the directors of Alleanza, the use of multiple methods mitigated their failure to use a control method.

- The Directors, also with the support of their consultants, selected the methods and parameters they deemed most appropriate for estimating the Exchange Ratio, each within the framework of its own subjectivity but still on the basis of rational processes. We would note, in this regard, that each valuation process and each determination of company value involves various degrees of discretion. If one compares the valuations of the same company for the same purposes developed by a number of valuators with equivalent professional expertise, one would constantly find differences in the way the valuations are developed, particularly with regard to the choice of valuation methods and parameters. This is due to the subjectivity that is normally expressed by valuators and does not necessarily signify that the valuation processes used by the various parties were conducted inaccurately or without due diligence. Bearing this subjectivity in mind, the choice of valuation methods and parameters must in any case be reasonable, not arbitrary, adequately supported, and applied uniformly in valuing the companies.

- As far as the adequacy of the valuation methods used in this specific case, we would comment as follows:

  - *Market prices of the Generali and Alleanza stocks* – This methodology estimate the companies on the basis of market prices of the shares as traded on regulated stock exchanges. This method is deemed important when the shares represent significant capitalization and liquidity, extensive coverage by brokers, and adequate information to the market. In this specific case, Generali and Alleanza have high levels of capitalization and liquidity, are extensively covered by both brokers and investment banks, and are widely owned by national and international institutional investors.

  - *Market criteria (market multiples, regression analysis, target prices)* – The market criteria estimate the value and attractiveness of a company based on all the information available to the market on the company and on the reference sector at the time of valuation. Those criteria are suitable in the case of companies that provide the market adequate disclosure on their current and projected performance and that operate in sectors where there are companies comparable in types of business, size and profitability. In this specific case, Generali and Alleanza, as listed companies, provide the market regular information on their situation and outlook, and the insurance sector, to which both belong, comprises a sufficiently large number of comparable companies.

  - *Sum of the Parts Method* – This method, commonly used in international practice, is appropriate for valuing complex entities that operate in multiple business lines, since it considers the return and expected risk as well as the allocated capital for each of them. In this specific case, this method makes it possible to value Generali and Alleanza as the sum of the values attributable to their various component business areas, considering for each the valuation methods deemed most appropriate among those normally used in valuation practice (market-based methods, Appraisal Value and financial methods). More particularly, for the “SoP” method:

- the Appraisal Value estimates the value of a company based on its balance sheet structure (equity, value of tangible and intangible assets) and on the future profits from its existing portfolio and new production. This methodology is normally used in Italian valuation practice for entities such as life insurance companies.
- With the financial methods (DDM), the value of a company can be weighed on the basis of its development plan and its intrinsic characteristics. The choice to use DDM as a financial method in the version of Excess Capital is a common practice in the financial sector, where the measurement of cash flows pertaining to the shareholders is influenced by the level of capital required by the supervisory authorities.

Lastly, we feel we should emphasize that the principal purpose of the decision-making process of the Directors is to estimate the relative values of the individual companies being merged through the application of uniform methods in order to determine the Exchange Ratio. Those values cannot therefore be used for other purposes.

9. SPECIFIC LIMITATIONS ENCOUNTERED BY THE AUDITOR IN CARRYING OUT THE ENGAGEMENT

In carrying out our engagement, we encountered the problems generally present in similar valuation processes, especially in the case of companies that, though operating in the same industry, present dimensional, geographical and organizational differences, as well as different business lines.

Regarding the principal limitations and valuation difficulties, we would point out the following:

- *Projected data used* - The valuation methods used by the Directors and their consultants required the use of projected data prepared by the management of the companies for internal management purposes and not, therefore, released to the market. Those data are, by their nature, aleatory and uncertain, as they are sensitive to change in macroeconomic variables, phenomena external to the company and the level of capital invested, and are also based, in this case, in part on a series of assumptions related to future events and the actions of the governance bodies that will not necessary take place. These factors of uncertainty are currently being aggravated by the turbulent situation in the financial markets and the deterioration of the global economic context.
- *Reference regulatory framework* – The analytical valuation criteria were applied with regard to the current legal and regulatory framework. Future changes in that framework within the time horizon considered in the valuations, including those expected concerning the solvency of EU insurers, might therefore have significant effects on the results of the Directors' analyses.
- *Market volatility* - In applying the valuation methods, the market price data and projections by financial analysts used are subject to great volatility, considering the current market context. That volatility may have significant, unforeseeable impact not only on the market prices of the companies in question but also on such important balance sheet and income statement quantities as ANAV and Appraisal Value. The different characteristics of the

business models might also have potentially different consequences for the two companies considered with regard to changes in the exogenous market-linked variables.

- *Process for determining the Exchange Ratio* - The Directors state they determined the Exchange Ratio through a logical comparison of the results obtained by applying the various valuation methods but without illustrating all the elements of that logical comparison that led them to establish the Exchange Ratio. In particular, as indicated in section 6 above, the directors in their reports indicated the exchange ratio ranges deriving from the uniform application of each of the valuation methods adopted and not the absolute values generated by those methods. The Directors also provided no indications regarding the relative importance assigned to each valuation method for determining the Exchange Ratio. We would further observe that, although the individual methods produce values per share that were significantly different, the exchange ratio ranges derived from them display less variability than that evidenced by the value-per-share ranges. We would also note that the Exchange Ratio falls within the exchange ratio ranges determined by applying the various methods.

- *Control methods* – As a control method, the directors of Generali used an analysis of the target prices of the Alleanza and Generali stock published by the principal investment banks, while the directors of Alleanza felt that no control method was required in estimating the values used in determining the Exchange Ratio. We would further observe that:

  - the control method adopted by the directors of Generali was also used by the directors of Alleanza as part of the so-called principal methods;

  - the use of multiple methods mitigates the risk of failure to use a control method.

We took the foregoing limitations and difficulties into careful consideration when issuing this report.

10. CONCLUSIONS

Based on the documentation we have examined and the procedures described above, and considering the nature and extent of our work as described in this report, we believe that the valuation methods adopted by the Directors of Generali and Alleanza based upon the advise of their Professional Advisors are, under the circumstances, reasonable and not arbitrary and have been correctly applied by them in their determination of the ratio for the exchange of shares contained in the proposed merger project.

DELOITTE & TOUCHE S.p.A.

Vittorio Frigerio
Partner

Milan, 19 May 2009