GENERALI
Assicurazioni Generali S.p.A.

2006-2008 STRATEGIC PLAN

STRONG ACCELERATION IN PROFITABILITY
THROUGH OPERATIONAL IMPROVEMENT AND CAPITAL OPTIMISATION
MISSION: TO BECOME ONE OF EUROPE'S LEADERS IN VALUE CREATION

RECORD 2005 GENERALI GROUP PRELIMINARY RESULTS EXCEED 2003-2005 STRATEGIC PLAN TARGETS

- CONSOLIDATED PROFIT OF € 1,918 MILLION UP FROM € 1,665.8 MILLION IN 2004 (+15%)
- CONSOLIDATED PREMIUMS OF € 62.8 BILLION UP FROM € 55.8 BILLION IN 2004 (+13.1% LIKE FOR LIKE)
- COMBINED RATIO IMPROVES YEAR ON YEAR BY 1 P.P. TO 97.9% FROM 98.9% IN 2004
- ROEV (RETURN ON EMBEDDED VALUE) IMPROVES TO 11.9% FROM 11.2% IN 2004
- ON THE BASIS OF 2005 PRELIMINARY FIGURES, A 26% INCREASE IN THE 2005 DIVIDEND IS PROPOSED, EQUIVALENT TO € 0.54 PER SHARE (2004: €0.43 PER SHARE)

FINANCIAL TARGETS FOR 2008:

- ROEV TO INCREASE BY 2.6 P.P TO 14.5%
- 50% INCREASE IN CONSOLIDATED PROFIT TO APPROXIMATELY € 2.9 BILLION
- 10% COMPOUND ANNUAL GROWTH IN NBV (NEW BUSINESS VALUE) OVER THE PLAN PERIOD
- COMBINED RATIO TO IMPROVE TO 95.5%
- ABOVE MARKET PREMIUM INCOME GROWTH
- DOUBLING OF DIVIDEND PROPOSED FOR FINANCIAL YEAR 2008: +100% COMPARED TO 2005

ORGANISATION INNOVATION AND LAUNCH OF SIGNIFICANT CROSS-GROUP TRANSFORMATION PROJECTS:

- NEW INTERNATIONAL MANAGEMENT BOARD CREATED TO EXTEND GROUP-WIDE COOPERATION AND GUIDE GROUP-WIDE INITIATIVES

- MOVE TO A COMMON COUNTRY ORGANISATIONAL MODEL IN KEY TERRITORIES AND SIGNIFICANT PERFORMANCE IMPROVEMENT IN CORE MARKETS

- € 700 MILLION TO BE GENERATED BY 2008 THROUGH THE APPLICATION OF SIGNIFICANT GROUP-WIDE SCALE-BASED PROJECTS (IT; ASSET MANAGEMENT; RISK AND CAPITAL MANAGEMENT, GLOBAL TREASURY) AND INTERNATIONAL DISSEMINATION OF BEST PRACTICE (MOTOR TARIFFS, CLAIMS MANAGEMENT, AND OPERATIONAL EXCELLENCE)

- STRENGTHENING OF DISTRIBUTION CAPACITY ACROSS TRADITIONAL AND PERSONAL FINANCIAL SERVICES CHANNELS; INVESTMENTS IN INNOVATION AND EXTENSION OF WEB-BASED DISTRIBUTION MODELS IN WHICH THE GROUP IS ALREADY A MARKET LEADER IN ITALY, GERMANY, FRANCE

- LISTING OF BANCA GENERALI DURING THE PLAN PERIOD

- ENTRY INTO INDIAN MARKET IN JV WITH LOCAL PARTNER AND CONTINUED GROWTH IN CHINA AND CENTRAL AND EASTERN EUROPE

CAPITAL RESTRUCTURING AND OPTIMISATION

- UP TO € 4 BILLION ISSUE OF A HYBRID DEBT AND SUBORDINATED DEBT
- UP TO € 1.8 BILLION ORDINARY SHARE BUY-BACK PROGRAMME
- BUY-OUT OF LISTED MINORITIES IN GERMANY, AUSTRIA AND SWITZERLAND AND ACQUISITION OF 10% OF MIGDAL IN ISRAEL FOR A TOTAL OF € 2.3 BILLION

Milan, March 6, 2006. Assicurazioni Generali Group CEOs Giovanni Perissinotto and Sergio Balbinot will today host a meeting in Milan to present to the financial community the Group's 2006-2008 Strategic Plan, approved yesterday by the Board of Directors, chaired by Antoine Bernheim.

The Plan sets out a series of initiatives in all territories of operation to continue the process of change across all territories following the successful execution of the previous strategic plan as the Group pursues its mission to become a leader in value creation.

Commenting on the Plan, Generali Group CEO **Giovanni Perissinotto** said: *"Generali today embarks on its plan for accelerated growth and profitability. Over the past three years we have come together as a Group as never before. The new dimension this adds to our traditional strengths of financial soundness and unmatched local market knowledge puts us in better shape than ever to achieve our goals. We start this new phase of our project with record results and an even more challenging set of objectives. This is the base from which we intend to pursue further growth, both organic and external, at the same time maximising the efficiency of our capital structure. In order to achieve this rapidly the possibility of a share buy-back will be proposed to the next Annual General Meeting of shareholders."*

2005 PRELIMINARY RESULTS

The preliminary results published today for the 2005 financial year exceed the targets set out in the 2003-2005 strategic plan and are the best ever achieved by the Generali Group.

These record results, achieved against a backdrop of modest economic growth and sharply declining interest rates, mark the completion of the first stage of the management's work to realise fully the Group's potential, concentrating on its core European markets (Italy, Germany, France, Spain, Switzerland and Austria) and on selected high potential territories such as China and the Group's historic heartland of Central and Eastern Europe.

Thanks to the initiatives undertaken during the course of the last plan, not only has the key priority of generating profitable growth from core insurance activities been fully achieved, but an excellent platform of strongly performing businesses has also been established from which to roll out the 2006-2008 Plan.

	FY 2004	Preliminary Results 2005	Change
Consolidated profit (€m)	1,665.8	1,918	+ 15%
Premium income (€bn)	55.8	62.8	+ 13.1%
Combined Ratio (%)	98.9	97.9	1 p.p. improvement
RoEV (%)	11.2	11.9	0.7 p.p. increase

THE 2006-2008 STRATEGIC PLAN

CEO **Sergio Balbinot** commented: *"A key element in the success of the 2003-2005 plan was our ability to get all the Group's core businesses moving forward together for the first time sharing a common strategic plan with clear targets while capitalising on our strong presence in and knowledge of local markets. This approach has also been rewarded in new markets, opening the way to significant initiatives such the one undertaken in China. The new plan will see a strong acceleration in the implementation of this winning model thanks to a series of Group-wide projects. At the same time we will strengthen our presence in territories showing the highest growth potential such as China, India and the Central and Eastern European countries.*

It is our conviction that these moves will lay the foundations for the Group's further long-term development."

The new Plan is founded on three pillars:

First: Operational Improvement and Group-wide projects. Under the new organisational model, the CEOs will set performance standards supported by a new *International Management Board*, whose membership will be drawn from senior Group executives whose role it will be to effect organisational change, encourage innovation and ensure the implementation of enterprise-wide projects.

The objective of profitability, along with increased volumes, will be pursued through operational improvement and by identifying those areas across the Group's footprint where significant synergies can be extracted.

In particular, the Plan sets out the implementation of *Group-wide projects* designed to achieve economies of scale by applying coordinated solutions to capital-intensive activities such as IT, to those requiring critical mass such as Asset Management and Treasury and to those requiring specialised skills such as Risk Management.

The Group will disseminate best practice internationally so as to be in a position to share the skills developed in specific strategic areas such as motor tariffs, claims handling and operational excellence.

The implementation of these programmes is expected to have an overall positive impact of € 700 million by 2008.

Second: Capital Optimisation. The Group today announces decisive measures to enhance capital efficiency, while preserving Generali's balance sheet strength.

The Group Board approved the issue of hybrid debt and subordinated debt for up to a maximum amount of € 4 billion. This will finance a series of transactions aimed at creating value for shareholders and consolidating Generali's presence in several key markets.

- The acquisition of minorities in **AMB Generali** through a voluntary cash tender offer to acquire the 29.1% of the ordinary share capital of AMB Generali that the Group does not already own for a maximum total cash consideration of € 1.5 billion. The price per share offered is € 98 representing an implied premium over the closing price of Friday March 3 of 0.7% and a 19.3% premium over the 6-month weighted average share price[1]. The offer period is expected to commence in early April.

- The acquisition of minorities in **Generali Schweiz** through a voluntary cash tender offer to acquire the 33.3% of the ordinary share capital of Generali Schweiz that the Group does not already own for a maximum total cash consideration of € 0.2 billion. The price per share offered is CHF 440 representing a premium of 12.7% over the closing price of Friday March 3 and a 27.0% premium over the 6-month simple average share price. The offer period is expected to commence in April.

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[1] Generali has engaged KPMG to carry out an indicative valuation of AMB Generali based on the capitalized earning method prescribed by German IDW S1 principles, consistent with German court accepted valuation practices concerning the cash compensation for squeeze-outs. The analysis performed by kpmg was solely based on publicly available information and on information provided by Generali. The value per share resulting from the Kpmg analysis is below the Offer Price.

- The squeeze-out of the 6.2% of the ordinary share capital in **Generali Holding Vienna** that the Group does not already own. The market value of this shareholding on the basis of the arithmetical average of the stock price over the last six months amounts to € 0,1 billion[1]. The transaction is expected to commence in April and to be completed by the summer.

- The acquisition of 10% of **Migdal** Insurance & Financial Holding from Bank Leumi for a total cash consideration of € 118 million. Following the transaction the Generali Group will control approximately 70% of Migdal.

- The acquisition by AMB Generali Group of a 45.9% stake in **Central Kranken**, one of the leading players in the German health insurance sector, that is currently held by Volksfursorge, for a expected cash consideration of € 300 million.

  The transactions outlined above are expected to lift net profit per share by approximately 4% in 2008.

In addition, Assicurazioni Generali will also propose to the 2006 Annual General Meeting of shareholders:

- A programme to buy-back a total of up to €1.8 billion of its own ordinary shares, that will replace expensive equity with cheaper hybrid debt finance in order to optimise rapidly the mix of capital and lower its weighted cost.

- A dividend payable for the 2005 financial year of € 0.54 cents per share, a 26% increase over the 2004 financial year pay-out. Further, the plan foresees that the 2008 per share dividend will double from its 2005 financial year level.

The above initiatives are expected to have a strong positive impact on the weighted average cost of capital and on RoEV, while maintaining the Group's financial strength and credit rating.

Third: Focus on Growth and Innovation. Over the 2006-2008 plan period the Generali Group targets above market growth in key territories, as has been achieved successfully under the previous plan.

The Group will use the following levers to drive innovation during the life of the plan are:

Extended reach and boosted capability of distribution networks. Distribution is to be strengthened by developing agency networks both in Italy and abroad and the Group's Personal Financial Services offer, with Banca Generali to be listed by the end of the plan period.

Leadership positions in web-based sales. By leveraging the new web and IT platforms developed in countries where the Generali Group already leads the field in internet-based sales (Italy, Germany and France) the new plan also targets the development of direct sales channels (internet and telephone) in new territories and the integration of web platforms in support of traditional channels.

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1 The price for the squeeze-out will be determined by Generali Holding Vienna at a later stage. KPMG has conducted a preliminary valuation of Generali Vienna in line with KFS/BW1 principles required to determine the squeeze-out price. This valuation is below the closing price of the Generali Holding Vienna stock on Friday March 3rd which was € 46.60.

HSBC and Mediobanca are financial advisors to Generali for the buy-out of the minorities of AMB Generali, Generali Schweiz and Generali Holding Vienna.

Expansion in new Geographies. In China**,** the Generali Group aims to consolidate its position as one of the country's top-three foreign insurance providers with the opening of six new branches in as many cities, by strengthening its sales-force to over 10,000 agents and by further boosting its bancassurance capability.

The Group will enter the **Indian market**, establishing a life and non-life joint-venture with an already identified local partner.

In the **CEE countries** growth will be organic with peaks in excess of 20% in some low-penetration markets such as Slovakia, Slovenia, Romania and Croatia. The Group will also gauge the potential of all areas in the extended region, including the states of the former Soviet Union.

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The implementation of the actions set out in the 2006-2008 Strategic Plan is expected to increase the Group's RoEV by 2.6 percentage points to 14.5% in 2008. This increase will be derived as follows:

- a 2.1 percentage point increase thanks to the positive effect arising from the implementation of Group and Country-wide programmes**;**
- a 1.4 percentage point increase thanks to the initiatives aimed at optimising capital management; and
- a 0.9% reduction resulting from the increase of the capital base expected over the three-year period.

Commenting on the new Strategic Plan, Generali Group **Chairman Antoine Bernheim** said: *"The Strategic Plan the CEOs are presenting to the market today is both ambitious and realistic. This constitutes a further important step in the strengthening and growth of the Group that with the realisation of the plan objectives will secure its position amongst the international leaders in the sector, ensuring its continued success into the future."*

The Strategic Plan Financial Community Presentation will take place today at 1400 (CET) at the Four Seasons Hotel in Milan. The presentation can be followed real time by:

Connecting to: http://services.choruscall.com/links/generali060330.html or:

By dialling the following numbers for listen-only access:

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