

Prospectus



ASSICURAZIONI GENERALI S.p.A.

(incorporated with limited liability under the laws of the Republic of Italy)

£350,000,000 6.269 per cent. Perpetual Fixed/Floating Rate Notes

The £350,000,000 6.269 per cent. perpetual fixed/floating rate notes (the “**Notes**”) are issued by Assicurazioni Generali S.p.A. (the “**Issuer**”). The Issue Price of the Notes is 100 per cent.

The Notes will bear interest (i) from and including 16 June 2006 to and excluding 16 June 2026 (the “**Reset Date**”) at a rate of 6.269 per cent. per annum, payable annually in arrear on 16 June in each year and (ii) from and including the Reset Date at a rate of Libor plus 235 basis points, payable quarterly in arrear on 16 September, 16 December, 16 March and 16 June of each year, beginning 16 September 2026.

The Notes will be redeemed on the date on which voluntary or involuntary winding up proceedings are instituted in respect of the Issuer as described in Condition 6 (*Redemption and Purchase*) of the Terms and Conditions of the Notes. The Issuer may, at its option, also redeem the Notes in whole, but not in part, on the Reset Date and on any Interest Payment Date (as defined herein) of the Notes thereafter at an amount equal to their principal amount, together with any accrued interest, as described in Condition 6(a) (*Redemption and Purchase - Redemption at the option of the Issuer*) of the Terms and Conditions of the Notes. In addition, the Issuer may, at its option, redeem the Notes in whole, but not in part, at any time before the Reset Date following the occurrence of a Regulatory Event (as defined herein) at a redemption price equal to the greater of (i) the principal amount together with any accrued interest and (ii) the Make Whole Amount (as defined herein) as described in Condition 6(b) (*Redemption and Purchase - Redemption due to a Regulatory Event*) of the Terms and Conditions of the Notes. Also, the Issuer may, at its option, redeem the Notes in whole, but not in part, at any time prior to the Reset Date at a redemption price equal to their principal amount plus accrued interest, in the event of certain tax changes as described in Condition 6(c) (*Redemption and Purchase - Redemption for tax reasons*) of the Terms and Conditions of the Notes. Any redemption of the Notes, save in accordance with the first sentence of this paragraph, is subject to the prior approval of ISVAP (as defined herein).

Under certain circumstances described in Condition 5 (*Interest deferral*) of the Terms and Conditions of the Notes the Issuer may elect or even be required to defer interest payments on the Notes.

The Notes will be rated A3 by Moody’s Investors Service Limited (“**Moody’s**”), A by Standard & Poor’s Rating Services, a division of The McGraw Hill Companies Inc. (“**S&P**”) and A+ by Fitch Ratings Limited (“**Fitch**”). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) in its capacity as competent authority in Luxembourg to approve this document as a prospectus under the Luxembourg Law of 10 July 2005 on Prospectuses for Securities (the “**Luxembourg Prospectus Law**”), which implements Directive 2003/71/EC (the “**Prospectus Directive**”) in Luxembourg. Application has also been made for the Notes to be listed and admitted to trading on the regulated market of the Luxembourg Stock Exchange.

An investment in Notes involves certain risks. For a discussion of these risks, see “Risk Factors” on page 14.

The Notes have a denomination of £50,000.

Joint Lead Managers

HSBC

JPMorgan

**Mediobanca - Banca di Credito
Finanziario S.p.A.**

Co-Lead Managers

Banca Generali S.p.A.

Caboto

CALYON Corporate and Investment Bank

Commerzbank Corporates & Markets

Dated 14 June 2006

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus to the best of its knowledge is in accordance with the facts and contains no omission likely to affect its import.

This Prospectus should be read and construed together with any documents incorporated by reference herein.

The Issuer has confirmed to the Managers named under “Subscription and Sale” below (the “**Managers**”) that this Prospectus contains all information regarding the Issuer, the Generali Group (as defined herein) and the Notes that is (in the context of the issue of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other document entered into in relation to the Notes or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any of the Managers.

No representation or warranty is made or implied by the Managers or any of their respective affiliates, and none of the Managers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date hereof or that any other information supplied in connection with the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Prospectus may only be used for the purposes for which it has been published. The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Prospectus and other offering material relating to the Notes, see “Subscription and Sale”. In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “**Securities Act**”) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. In addition, this Prospectus has not been submitted to the clearance procedure of *Commissione Nazionale per le Società e la Borsa* (the Italian Securities and Exchange Commission or “**CONSOB**”) and may not be used in connection with any offering of the Notes in Italy other than to professional investors, as defined by and in accordance with applicable Italian securities laws and regulations.

This Prospectus does not constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Managers or any of them that any recipient of this Prospectus should subscribe for or purchase any Notes. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of each of the Issuer and the Generali Group.

The Notes will form part of the regulatory capital of the Issuer and, as such, it is the intention of the Issuer to redeem the Notes only to the extent that the Issuer or any of its financing subsidiaries has, in the period of six months preceding any redemption, raised funds in an amount at least equal to the aggregate principal

amount of the Notes by the issuance and sale of any ordinary shares or any securities that have equal or greater equity characteristics than the Notes.

In this Prospectus, unless otherwise specified, references to “**EUR**”, “**euro**”, “**Euro**” or “**€**” are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended; references to “**GBP**”, “**Sterling**” or “**£**” are to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland; references to “**US Dollars**” are to the lawful currency of the United States of America; and references to “**Swiss Franc**” are to the lawful currency of Switzerland. Unless otherwise specified or where the context requires, references to laws and regulations are to the laws and regulations of Italy.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

*This Prospectus includes forward-looking statements. These include statements relating to, among other things, the future financial performance of the Issuer and the Issuer’s consolidated subsidiaries (the “**Generali Group**”), plans and expectations regarding developments in the business, growth and profitability of the Generali Group and general industry and business conditions applicable to the Generali Group. The Generali Group has based these forward-looking statements on its current expectations, assumptions, estimates and projections about future events. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that may cause the actual results, performance or achievements of the Generali Group or those of its industry to be materially different from or worse than these forward-looking statements. The Issuer does not assume any obligation to update such forward-looking statements and to adapt them to future events or developments except to the extent required by law.*

STABILISATION

In connection with the issue of the Notes , HSBC Bank plc (the “Stabilising Manager”) (or persons acting on behalf of the Stabilising Manager) may over-allot Notes (provided that, the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the Notes) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Such stabilisation shall be in accordance with all applicable laws and regulations.

MARKET STATISTICS

Information and statistics presented in this Prospectus regarding business trends, market trends, market volumes and the market share of the Issuer or the Generali Group (as defined herein) are either derived from, or are based on, internal data or publicly available data from various independent sources. Although the Issuer believes that the external sources used are reliable, the Issuer has not independently verified the information provided by such sources.

TABLE OF CONTENTS

| | |
|--|----|
| SUMMARY | 5 |
| RISK FACTORS | 14 |
| DOCUMENTS INCORPORATED BY REFERENCE | 22 |
| TERMS AND CONDITIONS OF THE NOTES | 24 |
| SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM | 44 |
| USE OF PROCEEDS | 46 |
| DESCRIPTION OF ASSICURAZIONI GENERALI S.p.A. | 47 |
| CAPITALISATION OF ASSICURAZIONI GENERALI S.p.A. | 69 |
| SUMMARY FINANCIAL INFORMATION OF ASSICURAZIONI GENERALI S.p.A. | 70 |
| TAXATION | 74 |
| SUBSCRIPTION AND SALE | 81 |
| GENERAL INFORMATION | 83 |

SUMMARY

This summary must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference. No civil liability attaches to the Issuer in any Member State of the European Economic Area which has implemented the Prospectus Directive solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

This summary includes forward-looking statements. These include statements relating to, among other things, the future financial performance of the Issuer and the Issuer's consolidated subsidiaries (the "Generali Group"), plans and expectations regarding developments in the business, growth and profitability of the Generali Group and general industry and business conditions applicable to the Generali Group. The Generali Group has based these forward-looking statements on its current expectations, assumptions, estimates and projections about future events. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that may cause the actual results, performance or achievements of the Generali Group or those of its industry to be materially different from or worse than these forward-looking statements. The Issuer does not assume any obligation to update such forward-looking statements and to adapt them to future events or developments except to the extent required by law.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings in this summary and references to a "Condition" is to such numbered condition in the Terms and Conditions of the Notes.

Summary in respect of the Notes

| | |
|-------------------------------|--|
| Issuer: | Assicurazioni Generali S.p.A. |
| Joint Lead Managers: | HSBC Bank plc J.P. Morgan Securities Ltd. Mediobanca - Banca di Credito Finanziario S.p.A. |
| Managers: | Banca Caboto S.p.A. Banca Generali S.p.A. CALYON Commerzbank Aktiengesellschaft |
| Principal Amount: | £350,000,000 |
| Issue Price: | 100 per cent. of the principal amount of the Notes. |
| Issue Date: | 16 June 2006. |
| Form and Denomination: | The Notes will be issued in bearer form in a denomination of £50,000 each. |
| Status of the Notes: | The Notes will constitute direct, unsecured and subordinated obligations of the Issuer ranking: (i) <i>pari passu</i> without any preference among themselves and <i>pari passu</i> with the Parity Securities; (ii) junior in right of payment to the payment of any present or future claims of all unsubordinated creditors of the Issuer (including obligations to policyholders) and to all Less Deeply Subordinated Obligations; and |

(iii) senior in right of payments to the Junior Securities.

Redemption:

The Notes will mature and be redeemed on the date on which voluntary or involuntary winding up proceedings are instituted in respect of the Issuer, in accordance with, as the case may be, (i) a resolution of the shareholders' meeting of the Issuer, (ii) any provision of the by-laws of the Issuer (currently, maturity of the Issuer is set at 31 December 2131 though if this is extended, redemption of the Notes will be equivalently adjusted), or (iii) any applicable legal provision, or any decision of any jurisdictional or administrative authority.

The Issuer may, at its option, also redeem the Notes in whole, but not in part, on the Reset Date and on any Interest Payment Date (as defined herein) thereafter at an amount equal to their principal amount, together with any accrued interest, as described in Condition 6(a) (*Redemption and Purchase - Redemption at the option of the Issuer*).

In addition, the Issuer may, at its option, redeem the Notes in whole, but not in part, at any time before the Reset Date following the occurrence of a Regulatory Event (as defined herein) at a redemption price equal to the greater of (i) the principal amount together with any accrued interest and (ii) the Make Whole Amount (as defined herein) as described in Condition 6(b) (*Redemption and Purchase - Redemption due to a Regulatory Event*).

Also, the Issuer may, at its option, redeem the Notes in whole, but not in part, at any time prior to the Reset Date at a redemption price equal to their principal amount plus accrued interest, in the event of certain tax changes as described in Condition 6(c) (*Redemption and Purchase - Redemption for tax reasons*).

Any redemption of the Notes, save in accordance with the first paragraph of this section "*Redemption*", is subject to the prior approval of ISVAP (as defined herein).

"**Regulatory Event**" means that the Issuer (i) is no longer subject to the consolidated regulatory supervision of a Lead Regulator; or (ii) is subject to the consolidated regulatory supervision of a Lead Regulator and is not permitted under the applicable rules and regulations adopted by such Lead Regulator, or an official application or interpretation of those rules and regulations including a decision of any court or tribunal, at any time whilst any of the Notes are outstanding to treat the Notes as own funds for the purposes of the determination of the Solvency Margin eligible to count for (a) up to 50 per cent. of the Solvency Margin, under the Italian Legislation on Solvency Margin, or (b), in case of future amendments to the Italian Legislation on Solvency Margin, up to such other fraction of the Solvency Margin as will apply to perpetual subordinated instruments or liabilities as opposed to dated subordinated instruments or liabilities.

Interest:

The Notes will bear interest (i) from and including 16 June 2006 to and excluding 16 June 2026 (the "**Reset Date**") at a rate of 6.269 per cent. per annum, payable annually in arrear on 16 June in each year and (ii) from and including the Reset Date at a rate of Libor

plus 235 basis points, payable quarterly in arrear on 16 September, 16 December, 16 March and 16 June of each year, beginning 16 September 2026.

Optional deferral of interest:

The Issuer may elect by giving notice to the Noteholders pursuant to Condition 14 (*Notices*) below to defer payment (A) of all (or some only) of the interest accrued to an Interest Payment Date if (i) during the 12-month period prior to such Interest Payment Date no dividend or other distribution has been declared, made, approved or set aside for payment in respect of any Junior Securities or Parity Securities; and (ii) during the 12-month period prior to such Interest Payment Date neither the Issuer nor any of its Subsidiaries has redeemed, repurchased or acquired any Junior Securities (other than a Permitted Repurchase) or Parity Securities; or (B) of part only, *pari passu* and *pro rata*, of the interest accrued to an Interest Payment Date if and to the extent that during the 12-month period prior to such Interest Payment Date a partial distribution has been declared, made, approved or set aside for payment in respect of any Parity Securities.

“**Permitted Repurchase**” means (1) any redemption, repurchase or other acquisition of such Junior Securities held by any member of the Group, (2) a reclassification of the equity share capital of the Issuer or any of its Subsidiaries or the exchange or conversion of one class or series of equity share capital for another class or series of equity share capital, (3) the purchase of fractional interests in the share capital of the Issuer or any of its Subsidiaries pursuant to the conversion or exchange provisions of such security being converted or exchanged, (4) any redemption or other acquisition of Junior Securities in connection with a levy of execution for the satisfactions of a claim by the Issuer or any of its Subsidiaries, or (5) any redemption or other acquisition of Junior Securities in connection with the satisfaction by the Issuer or any of its Subsidiaries of its obligations under any employee benefit plan or similar arrangement.

In the event that the Issuer may elect to defer part of the interest *pro rata* with distributions on any Parity Securities, such interest may be deferred in the same proportion that the distribution on such Parity Security bears to the stated scheduled distribution to be paid on such Parity Security.

Where the Issuer elects to defer an interest payment pursuant to Condition 5(a) (*Interest deferral - Optional deferral of interest*) it shall not have any obligation to make such interest payment on the relevant Interest Payment Date and the failure to pay such interest shall not constitute a default of the Issuer or any other breach of obligations under the Conditions or for any purpose.

Mandatory deferral of interest:

The Issuer will be required to defer payment of all (but not some only) of the interest accrued to an Interest Payment Date if the Fiscal Agent has received written notice from the Issuer confirming that (A) a Regulatory Intervention regarding the Issuer has occurred and such Regulatory Intervention is continuing on such Interest Payment Date; or (B) a Mandatory Deferral Event has occurred.

If the Issuer is required to defer a payment of interest following the occurrence of a Mandatory Deferral Event on an Interest Payment Date, then the Issuer will also be required to defer on one or more subsequent Interest Payment Dates the interest that would otherwise be due, save in the case that the Mandatory Deferral Event has been cured.

“**Regulatory Intervention**” means a request from ISVAP or any other relevant supervisory authority to restore any Required Solvency Margin.

“**Required Solvency Margin**” means the Solvency Margin required from time to time by a Lead Regulator;

A “**Mandatory Deferral Event**” shall have occurred if up to the end of the tenth Business Day preceding any Interest Payment Date:

- (i) the aggregate Net Income of the Issuer for two consecutive Reporting Periods ending on the Lagged Reporting Date is less than zero, and
- (ii) the Adjusted Equity Amount of the Issuer as at the Lagged Reporting Date has declined by more than 10 per cent. as compared to the Adjusted Equity Amount as at the Reporting Date that is 24 months prior to such Lagged Reporting Date, and
- (iii) the Adjusted Capital Amount of the Issuer as at the Current Reporting Date has declined by more than 10 per cent. as compared to the Adjusted Equity Amount as at the Reporting Date that is 30 months prior to such Current Reporting Date.

Payment of deferred interest:

Arrears of interest that have accrued pursuant to Conditions 5(a) (*Interest deferral - Optional deferral of interest*) and 5(b) (*Interest deferral - Mandatory deferral of interest*) may at the option of the Issuer be paid in whole or in part at any time only with funds raised by way of the ACSM in accordance with Condition 5(d) (*Interest deferral - Alternative Coupon Satisfaction Mechanism (ACSM)*).

Arrears of interest shall become due and payable:

- (i) in part *pari passu* and *pro rata* if and to the extent that the Issuer makes payments in part of or in respect of amounts of interest on or in relation to any other *pari passu* claims; and
- (ii) in full on the earlier of:
 - (a) the Interest Payment Date falling immediately on or after the date on which dividends or other distributions on any Junior Securities or Parity Securities have been declared or paid;
 - (b) the Interest Payment Date falling immediately on or after the date on which any Parity Securities or any Junior Securities are redeemed, repurchased or acquired by the Issuer or any of its Subsidiaries;
 - (c) Interest Payment Date immediately following the date upon which (x) no Regulatory Intervention is or will be

continuing on such Interest Payment Date and (y) no new Mandatory Deferral Event has occurred and any of the previous Mandatory Deferral Events have been cured, provided, in each case, that the Issuer would not, as at such Interest Payment Date, be entitled to defer payment of interest pursuant to Condition 5(a) (*Interest deferral - Optional deferral of interest*);

- (d) the date fixed for any redemption of the Notes pursuant to Condition 6 (*Redemption and Purchase*);
- (e) the date on which the *Liquidazione Coatta Amministrativa* of the Issuer is commenced pursuant to the Consolidated Law on Private Insurance Companies or on which voluntary winding up proceedings of the Issuer are instituted or on which the Issuer becomes subject to a liquidation order; and
- (f) the date falling 10 years after the Interest Payment Date on which payment of interest has first been deferred.

Arrears of interest will become payable only where the Issuer is able to make the payment with funds raised by way of the ACSM in accordance with Condition 5(d) (*Interest deferral - Alternative Coupon Satisfaction Mechanism (ACSM)*). If, despite the Issuer using its best efforts and/or despite the Issuer doing all that is reasonably possible to raise funds by way of the ACSM in accordance with Condition 5(d) (*Interest deferral - Alternative Coupon Satisfaction Mechanism (ACSM)*), the Issuer fails to make the payment with funds raised by way of the ACSM, then, notwithstanding the occurrence of any of the events or circumstances described in Condition 5(c)(ii)(A) or (B), arrears of interest will not be required to be paid.

Alternative Coupon Satisfaction Mechanism (ACSM):

Payment of amounts in respect of interest under the ACSM may only be made to the extent of funds raised by either (I) issuing new shares of the Issuer (save that, in the case of deferral of interest due to a Mandatory Deferral Event, the Issuer shall not, in any year, issue new ordinary shares for the purposes of the ACSM (including any new shares for the purposes of any equivalent ACSM provisions of any Parity Securities or any Junior Securities) in excess of 2 per cent. of the market value of the Issuer's ordinary share capital, such market value to be determined by the Calculation Agent as at the end of each financial year of the Issuer on the basis of the *Prezzo Ufficiale* of the Issuer's ordinary shares and for the avoidance of doubt any such funds so raised shall be applied firstly pro rata in respect of any amounts to be settled in relation to Parity Securities and only thereafter in respect of any amounts to be settled in relation to any Junior Securities) or selling treasury shares of the Issuer (save that for the purposes of selling treasury shares no treasury shares can be sold that have been purchased within the preceding six months), subject to the existence of the appropriate necessary corporate powers applicable to the Issuer at the time of the issuance or the disposal of the shares; or (II) issuing new Issuer securities ranking junior to or *pari passu* with the Notes and having features at least similar to the Notes. In the case of deferral of

interest due to a Mandatory Deferral Event, such junior or *pari passu* ranking securities can only be issued up to a nominal amount of 25 per cent. of the aggregate principal amount of the Notes outstanding from time to time for this purpose.

For any five-year period following the date on which deferred interest becomes payable (the “**ACSM Period**”) pursuant to Condition 5(c) (*Interest deferral - Payment of deferred interest*), (I) the Issuer shall use its best efforts to settle any such deferred amount in accordance with the ACSM and (II) the Issuer shall do all that is reasonably possible to obtain and maintain delegated authority to issue sufficient new ordinary shares and/or to hold and sell treasury shares, in each case to cover one year of Coupons and any outstanding deferred amount of interest payable by the Issuer.

If at the end of any ACSM Period in respect of any deferred interest payment the Issuer has been unable to make full payment of such deferred interest in accordance with the ACSM, the obligations of the Issuer to satisfy the amount of interest that was deferred at the beginning of such ACSM Period shall, to the extent not already settled under the ACSM, be cancelled, provided that contingently upon *Liquidazione Coatta Amministrativa* of the Issuer being commenced pursuant to the Consolidated Law on Private Insurance Companies or voluntary winding up proceedings of the Issuer are instituted or the Issuer becoming subject to a liquidation order, Noteholders shall be entitled to claim such unsettled amount in the liquidation of the Issuer under the Deed of Covenant, and such claim shall rank *pari passu* with the obligations of the Issuer in respect of its saving shares.

Loss absorption and Solvency Margin Event:

To the extent that the Issuer at any time suffers losses (also taking into account profits and losses relating to previous financial years) which would result in the Solvency Margin being reduced below the Required Solvency Margin (the “**Solvency Margin Event**”), the obligations of the Issuer to make payments in respect of the Notes, will be deferred to the extent necessary to enable the Issuer to continue to carry on its activities in accordance with applicable regulatory requirements. In any such case, interest will, subject to the provisions of Conditions 5(a) to (d), continue to accrue on the nominal value of the Notes. The obligations of the Issuer to make payments in respect of the Notes, will be reinstated (in priority to any Junior Securities and on a *pari passu* basis with any Parity Securities), as if such obligations of the Issuer had not been so deferred:

- (i) in whole, in the event of winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of the Issuer and with effect immediately prior to the commencement of such winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*); and
- (ii) in whole, in the event of early redemption of the Notes pursuant to Conditions 6(a) (*Redemption and Purchase - Redemption at the option of the Issuer*), 6(b) (*Redemption and*

Purchase - Redemption due to a Regulatory Event) or 6(c) (*Redemption and Purchase - Redemption for tax reasons*); and

- (iii) in whole or in part, from time to time, to the extent that the Solvency Margin Event is no longer continuing and, therefore, the Solvency Margin is again at least equal to the Required Solvency Margin.

| | |
|------------------------------|---|
| Taxation: | All payments in respect of Notes will be made free and clear of withholding taxes of the Republic of Italy, as the case may be (and subject to certain customary exceptions), unless the withholding is required by law. In that event, the Issuer will (subject as provided in Condition 8 (<i>Taxation</i>)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required. |
| Governing Law: | The Notes will be governed by English law. |
| Listing and Trading: | Application has been made for the Notes to be listed and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. Total expenses related to admission to trading are estimated to be €2,600. |
| Rating: | The Notes will be rated A3 by Moody's, A by S&P and A+ by Fitch. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. |
| Selling Restrictions: | For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the United Kingdom, Italy and Japan see, "Subscription and Sale" below. |
| Clearing Systems: | Euroclear and Clearstream, Luxembourg. |
| ISIN: | XS0257010206 |
| Common Code: | 025701020 |

Summary in respect of the Risk Factors

Risk Factors in respect of the Notes

An investment in the Notes involves certain risks associated with the characteristics of the Notes. Such risks could result in principal or interest not being paid by the Issuer and/or a material impairment of the market price of the Notes. Risks result especially from the fact that:

- the Issuer has no obligation to redeem the Notes and the Noteholders have no right to call for their redemption;
- the Notes may be subject to early redemption (A) at a redemption price equal to their principal amount, together with any accrued interest, (i) at any time prior to the Reset Date, in the event of certain tax changes and (ii) on the Reset Date and on any Interest Payment Date thereafter (B) at a redemption price equal to the greater of (i) the principal amount, together with any accrued interest, and (ii) the Make Whole Amount following the occurrence of a Regulatory Event;
- there is no restriction on the amount of debt which the Issuer may incur in the future;

- the payment obligations of the Issuer under the Notes constitute subordinated obligations of the Issuer;
- the Issuer may elect or even be required to defer interest payments if certain requirements are satisfied; and
- there are certain Italian taxation considerations in respect of the qualification of the Notes.

Risk Factors in respect of the Issuer

The Generali Group's business, and as a result the value of the Notes, are exposed to a number of risks. The following is a description of certain risks, which may materially adversely affect its financial position and results of operations:

- the Generali Group's financial results may be affected by fluctuations in the financial markets;
- the Generali Group's financial results may be affected by interest rates;
- the Generali Group's financial results may be affected by fluctuations in exchange rates;
- the Generali Group is subject to government regulation in the jurisdictions in which it conducts its business. Failure to comply with regulation or changes in government policy may adversely affect the Generali Group's business;
- the Generali Group is subject to credit risk;
- the Generali Group's financial results may be affected by insurance claims;
- risk management policies, procedures and methods may leave the Generali Group exposed to unidentified or unanticipated risks;
- the Generali Group is subject to operational risk; and
- the Generali Group may be affected by increased competition.

Summary in respect of the Issuer

Established in Trieste in 1831 as a company limited by shares (*Società per Azioni*) with a duration of 300 years, Assicurazioni Generali S.p.A. ("**Assicurazioni Generali**") and its consolidated subsidiaries (together the "**Generali Group**") is the largest insurance group in Italy and the third largest in Europe in terms of total gross premiums written. The Generali Group operates in some 40 countries worldwide through branch offices and subsidiaries. The registered address of Assicurazioni Generali is Piazza Duca degli Abruzzi 2, 34132 Trieste, Italy and the telephone number is (0039) 040 671111. Assicurazioni Generali is registered at the Companies' Registry of the Chamber of Commerce of Trieste, Italy under registration no. 00079760328.

Overview

The corporate purpose of Assicurazioni Generali, as provided by Articles 4.1 and 4.2 of its by-laws, is to: (i) engage in and carry out the business of insurance, reinsurance and capitalisation of every kind and to operate and manage any forms of supplementary pensions, including through the creation of open funds, in Italy and abroad, or the undertaking of any other activities reserved or admitted by the law to insurance companies; and (ii) in general engage in and perform any activity and carry out any transaction that is related to, connected with or conducive to the attainment of the corporate purpose, also through the participation in Italian or foreign companies and bodies.

Assicurazioni Generali has a dual function within the Generali Group, acting as an insurer in its own right, operating through branch offices in Italy and other countries, and also acting as the parent company of the Generali Group. As at 31 December 2005, the Generali Group fully consolidates 297 companies: 107 insurance companies, 53 financial holding companies, 66 real estate companies and 71 services companies.

Assicurazioni Generali controls a further 387 non-consolidated subsidiaries and 9 subsidiaries that are consolidated on the equity basis operating in insurance business related areas, such as fund and asset management. The Generali Group undertakes a wide range of direct life and non-life insurance business, assumed reinsurance business and activities in fund and asset management and related areas.

Since 15 April 1994, Assicurazioni Generali shares have been listed on the *Mercato Telematico Azionario*, the electronic stock market of the Italian Stock Exchange.

Selected financial information

The following table sets out certain selected consolidated financial information of the Generali Group for the year ended 31 December 2005.

| | As at 31 December 2005 |
|--|---|
| | <i>IFRS (Audited) (in billions of Euro)</i> |
| Gross premiums | 62.68 |
| Acquisition costs and general expenses..... | 9.44 |
| Investments..... | 307.42 |
| Net investment income..... | 11.70 |
| Net insurance provisions (net of consolidated adjustments) | 275.14 |
| Capital and free reserves (group)..... | 13.95 |
| Net profit (group)..... | 1.92 |
| Loss ratio (non-life, net of consolidated adjustments) | 70.6% |
| Combined ratio (non-life, net of consolidated adjustments) | 97.9% |

Management

The Board of Directors of Assicurazioni Generali consists of 18 members who are Antoine Bernheim (Chairman), Gabriele Galateri di Genola, Sergio Balbinot, Giovanni Perissinotto, Luigi Arturo Bianchi, Ana Patricia Botin, Gerardo Broggin, Claudio Consolo, Laurent Dassault, Diego Della Valle, Enzo Grilli, Piergaetano Marchetti, Klaus-Peter Müller, Alberto Nicola Nagel, Alessandro Ovi, Alessandro Pedersoli, Reinfried Pohl and Vittorio Ripa di Meana.

The Board of Statutory Auditors of Assicurazioni Generali consists of three permanent auditors and two alternate auditors who are Gianfranco Barbato (Chairman), Gaetano Terrin, Paolo D'Agnolo, Giuseppe Alessio-Verni (alternate auditor) and Paolo Bruno (alternate auditor).

Independent auditors

The current independent auditors of Assicurazioni Generali are PricewaterhouseCoopers S.p.A. who were appointed for a term of 6 years at an Ordinary General Meeting of Assicurazioni Generali held on 29 April 2006 to audit the annual non-consolidated and consolidated financial statements of Assicurazioni Generali.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

References to the “Generali Group” are to the Issuer and each of its subsidiaries. Otherwise, words and expressions defined in “Terms and Conditions of the Notes” or elsewhere in this Prospectus have the same meaning in this section. References to a “Condition” is to such numbered condition in the Terms and Conditions of the Notes. Prospective investors should read the entire Prospectus.

Risk Factors in relation to the Notes

An investment in the Notes involves certain risks associated with the characteristics of the Notes. Such risks could result in principal or interest not being paid by the Issuer and/or a material impairment of the market price of the Notes. The following is a description of certain risk factors in relation to the Notes.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor’s currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor’s overall investment portfolio.

Perpetual Securities

The Issuer is under no obligation to redeem the Notes at any time before the date on which voluntary or involuntary winding up proceedings are instituted in respect of the Issuer and the Noteholders have no right to call for their redemption.

Redemption risk

The Notes will be redeemed on the date on which voluntary or involuntary winding up proceedings are instituted in respect of the Issuer or as described in Condition 6 (*Redemption and Purchase*). The Issuer may, at its option, also redeem the Notes in whole, but not in part, on the Reset Date and on any Interest Payment Date thereafter at an amount equal to their principal amount, together with any accrued interest, as described in Condition 6(a) (*Redemption and Purchase - Redemption at the option of the Issuer*). In addition, the Issuer may, at its option, redeem the Notes in whole, but not in part, at any time before the Reset Date following the occurrence of a Regulatory Event at a redemption price equal to the greater of (i) the principal amount together with any accrued interest and (ii) the Make Whole Amount as described in Condition 6(b) (*Redemption and Purchase - Redemption due to a Regulatory Event*). Also, the Issuer may, at its option, redeem the Notes in whole, but not in part, at any time prior to the Reset Date at a redemption price equal to their principal amount plus accrued interest, in the event of certain tax changes as described in Condition 6(c) (*Redemption and Purchase - Redemption for tax reasons*). Any redemption of the Notes, save in accordance with the first sentence of this paragraph, is subject to the prior approval of ISVAP. If the Issuer calls and redeems the Notes in any of the circumstances mentioned above, the Noteholders may only be able to reinvest the redemption proceeds in securities with a lower yield.

No limitation on issuing debt

There is no restriction on the amount of liabilities which the Issuer may issue or guarantee which rank senior to the Notes or on the amount of liabilities which the Issuer may issue or guarantee which rank *pari passu* with the Notes.

The occurrence of such issue or guarantee may reduce the amount recoverable by Noteholders on a liquidation, dissolution, insolvency, composition or other proceeding for the avoidance of insolvency of, or against, the Issuer.

Subordination

The Notes will be undated, unsecured, subordinated obligations of the Issuer. Upon the occurrence of any winding-up proceedings of the Issuer, payments on the Notes will be subordinated in right of payment to the prior payment in full of all other liabilities of the Issuer (including dated subordinated obligations), except those liabilities which rank *pari passu* with, or junior to, the Notes. In liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer, the Noteholders may recover proportionally less than the holders of unsubordinated and dated subordinated liabilities of the Issuer.

The Noteholders explicitly accept that, in the circumstances described above, payments in respect of the Notes will be made by the Issuer pursuant to the Notes only in accordance with the subordination described above.

Optional deferral and possible cancellation of interest payments

Noteholders should be aware that the Issuer may, by giving not less than 15 days prior notice, elect in its discretion to defer payment (A) of all (or some only) of the interest accrued to an Interest Payment Date if (i) during the 12-month period prior to such Interest Payment Date no dividend or other distribution has been declared, made, approved or set aside for payment in respect of any Junior Securities or Parity Securities; and (ii) during the 12-month period prior to such Interest Payment Date neither the Issuer nor any of its Subsidiaries has redeemed, repurchased or acquired any Junior Securities (other than a Permitted Repurchase) or Parity Securities; or (B) of part only, *pari passu* and *pro rata*, of the interest accrued to an

Interest Payment Date if and to the extent that during the 12-month period prior to such Interest Payment Date a partial distribution has been declared, made, approved or set aside for payment in respect of any Parity Securities. For further details see Condition 5(a) (*Deferral of interest - Optional deferral of interest*).

The Issuer may elect in its discretion to satisfy any interest payment it defers only to the extent of funds raised by way of the ACSM. Under certain circumstances the Issuer must use best efforts and do what is reasonably possible to cause settlement in accordance with the ACSM.

Noteholders will not receive any additional interest or compensation for the optional deferral of payment. Noteholders should be aware that under certain limited circumstances a payment of interest may be cancelled and only subsequently be claimed in case of a liquidation, in which circumstance such claim will rank *pari passu* with savings shares of the Issuer. For further details see Condition 5 (*Interest deferral*).

Mandatory Deferral and possible cancellation of Interest Payments

Noteholders should be aware that if on an Interest Payment Date (A) a Regulatory Intervention regarding the Issuer has occurred and such Regulatory Intervention is continuing on such Interest Payment Date or (B) a Mandatory Deferral Event has occurred, then the Issuer will be required to defer interest which accrued during the interest period to but excluding such Interest Payment Date. For further details see Condition 5(b) (*Interest deferral - Mandatory deferral of interest*).

If on an Interest Payment Date a Mandatory Deferral Event has occurred, then the Issuer will be required to defer payment of interest. If the Issuer is required to defer a payment of interest following the occurrence of a Mandatory Deferral Event on an Interest Payment Date, then the Issuer will also be required to defer on one or more subsequent Interest Payment Dates until the Mandatory Deferral Event has been cured.

The Issuer may elect in its discretion to satisfy any interest payment it defers only to the extent of funds raised by way of the ACSM. Under certain circumstances the Issuer must use best efforts and do what is reasonably possible to cause settlement in accordance with the ACSM.

Noteholders will not receive any additional interest or compensation for the mandatory deferral of payment. Noteholders should be aware that under certain limited circumstances a payment of interest may be cancelled and only subsequently be claimed in case of a liquidation, in which circumstance such claim will rank *pari passu* with savings shares of the Issuer. For further details see Condition 5 (*Interest deferral*).

The secondary market generally

The Notes have no established trading markets, and such markets may never develop. If markets do develop, they may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Notes.

Fixed Rate Notes

Until the Reset Date in respect of the Notes, the Notes will carry fixed interest. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security falls as a result of changes in the current interest rate on the capital market (the "Market Interest Rate"). While the nominal interest rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of such security changes in the opposite direction. If the Market Interest Rate increases, the price of such security typically falls, until the yield of such security is approximately equal to the Market Interest Rate. If the Market Interest Rate falls, the price of a security with a fixed interest rate typically increases, until the yield of such security is approximately equal to the Market Interest Rate. Investors should be aware that movements of the Market Interest Rate could adversely affect the market price of the Notes and lead to losses for Noteholders if they sell Notes before the Reset Date.

Qualification of the Notes under Italian taxation law

Italian tax law does not provide for any specific and proper definition of the categories of “bonds” and “debentures similar to bonds” referred to in Article 1 and following of Legislative Decree No. 239 of 1 April 1996 (“**Decree No. 239**”). The statements contained in the section “Taxation. 1. Italy”, as for the applicability of the tax regime provided for by Decree No. 239 to the Notes, are based on the clarifications given by the Italian Revenue Agency in Circular No. 4/E of 18 January 2006, according to which bonds may have a maturity which is not scheduled at a specific date, but it is linked to the maturity of the issuing company (as in the case of the Notes whose maturity is linked to the maturity of the Issuer) or to the liquidation thereof, if the company has been set-up with an undetermined maturity pursuant to Article 2328 (2), No. 13, of the Italian Civil Code. Prospective purchasers and holders of the Notes must take into account that the above clarifications (as well as the Italian tax provisions in effect as of the date of this Prospectus) are subject to changes, which could also have retroactive effects. Should, following a change in the Italian tax provisions or in the interpretation followed by the Italian tax authorities, the Notes be qualified as “atypical securities” pursuant to Article 5 of Law Decree No. 512 of 30 September 1983 (instead of being qualified as “bonds” or “debentures similar to bonds” subject to the tax regime described in the section “Taxation. 1. Italy”), interest and other proceeds (including the difference between the redemption amount and the issue price) in respect of the Notes could be subject to an Italian withholding tax at a rate of 27 per cent. if owed to beneficial owners that are not resident of Italy for tax purposes or to certain categories of Italian resident beneficial owners, depending on the legal status of the beneficial owner of such interest and other proceeds. Reduced rates provided for by double taxation treaties entered into by Italy would be applicable in relation to interest and other proceeds paid to non-Italian resident beneficial owners, provided that the relevant requirements are met. The applicability of such a withholding tax in relation to interest and other proceeds paid to non-Italian resident beneficial owners would give rise to an obligation of the Issuer to pay additional amounts pursuant to Condition 8(a) of the “Terms and Conditions of the Notes” and would, as a consequence, allow the Issuer to redeem the Notes at their principal amount together with interest accrued pursuant to Condition 6(c) of the “Terms and Conditions of the Notes”. On the other hand, based on Condition 8(a)(ii) of the “Terms and Conditions of the Notes”, the above withholding tax, when levied in respect of interest and other proceeds paid to certain Italian resident beneficial owners, would not give rise to any obligation of the Issuer to pay additional amounts.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland). If, following implementation of this Directive, a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent following implementation of this Directive, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The Notes are represented by Global Notes. Such Global Notes will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by a Global

Note, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg. While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depository for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Credit ratings may not reflect all risks

The credit ratings assigned to the Notes may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to the purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Risk Factors in relation to the Issuer

The realisation of any of the risks described below may affect the Issuer's ability to fulfil its payment obligations under the Notes and/or may adversely affect the market price of the Notes and can lead to losses for Noteholders if they sell Notes before they fall due for redemption. As a result, investors are exposed to the risk of losing their investment in whole or in part.

Financial results may be affected by fluctuations in the financial markets

Market levels and investments returns are an important part of the Generali Group's overall profitability and fluctuations in the financial markets such as the fixed income or equity markets can have a material effect on the consolidated results of operations. Changes in these factors can be very difficult to predict. Any adverse changes in the economies and/or financial markets in which funds under management are invested could have a material adverse effect on the Generali Group's consolidated financial condition, results of operations and cash flows.

Fluctuations in interest rates may affect returns on fixed income investments and their market value. Generally, investment income may be reduced during sustained periods of lower interest rates as higher yielding fixed income securities are called, mature or are sold and the proceeds are reinvested at lower rates even though prices of fixed income securities tend to rise and gains realised upon their sale tend to increase. During periods of rising interest rates, prices of fixed income securities tend to fall and gains made upon their sale are lower or the losses made are greater.

In addition, the Generali Group invests a substantial portion of its assets in equities, which are generally subject to greater risks and more volatility than fixed income securities. General economic conditions, stock market conditions and many other factors beyond the control of the Generali Group can adversely affect the equity markets.

In addition to the general insurance and shareholder portfolios, the Generali Group has substantial exposure to fixed income securities, equities and real estate within its life assurance portfolios worldwide. The

investment risk on life assurance portfolios is often shared in whole or in part with policyholders, depending on the product sold. Fluctuations in the fixed income and equity markets will directly or indirectly affect the financial results of life assurance operations, in particular through its impact on the levels of charges made on investment policies which in most cases are related to the value of the assets backing the policy liabilities. In addition, such fluctuations will affect the financial condition of the Generali Group as a result of changes to the capital requirements of the life assurance businesses.

The revenues of the Generali Group's asset management businesses around the world are derived primarily from investment management fees, which are based primarily on the market value of funds under management. Consequently, the asset management business's financial results depend on changes in the economic conditions and financial markets in which the funds under management are invested.

Investment returns are also susceptible to changes in general economic conditions, including changes affecting the general creditworthiness of the issuer of debt securities and equity securities held in the businesses' portfolios. The value of fixed income securities may be affected by, amongst other things, changes in the issuer's credit rating. Where the credit rating of the issuer of a debt security drops, the value of the security may also decline. Should the credit rating of the issuer drop to a level such that regulatory guidelines prohibit the holding of such securities to back insurance liabilities, the resulting disposal may lead to a significant loss on the Generali Group's investment.

The value of real estate can be affected by, among other things, changes in economic conditions, disposable income and in interest rate levels.

Financial results may be affected by interest rates

Significant changes in interest rates could materially and adversely affect the Generali Group's business and financial performance. The level of and changes in interest rates (including changes in the difference between the levels of prevailing short-term and long-term rates) can affect the Generali Group's life insurance, banking and asset management results and interest payable on debt. In particular, interest rates can affect the availability of disposable income for investment in life assurance and other savings products, asset values, levels of bad debts, levels of investment income gains and losses on investments, funding costs and interest margins. Whilst interest rates increase the margin spread potential for the banking business, they are also likely to result in a decrease in fixed income asset values for life insurance companies. Generally, the impact of rising interest rates on the asset management business is driven by the change in value of funds under management.

Fluctuations in interest rates and returns from equity markets also have an impact on consumer behaviour, especially in the life and asset accumulation businesses, where demand for fixed income products may decline when interest rates fall and equity markets are performing well. The demand of general insurance, particularly commercial lines, can also vary with the overall level of economic activity.

Financial results may be affected by fluctuations in exchange rates

The Generali Group presents its consolidated financial statements in euro but a substantial proportion of its operations are accounted for in currencies other than euro principally the Swiss Franc and the US Dollar.

As a result of the accounting for operations in currencies other than euro, fluctuations in the relevant value of the euro to the Swiss Franc, the US dollar and other currencies could be significant because, amongst other things, these fluctuations could cause the Generali Group's earnings to fluctuate; and affect the comparability between results in one financial period and those in the preceding financial period.

Regulatory compliance and regulatory changes

The Generali Group's insurance, asset management and banking subsidiaries are subject to government regulation in the jurisdictions in which they conduct business. Regulatory agencies - in particular, *Istituto per la Vigilanza sulle Assicurazioni Private e di Interesse Collettivo* ("ISVAP") (in the case of the Issuer) - have broad jurisdiction over many aspects of these businesses, which may include capital adequacy, premium

rates, marketing and selling practices, advertising, licensing agents, policy forms, terms of business and permitted investments.

All financial services groups face the risk that regulators may find that they have failed to comply with applicable regulations or have not undertaken corrective action as required. Regulatory proceedings could result in adverse publicity for, or negative perceptions regarding, the Generali Group, as well as diverting management's attention away from the day-to-day management of the business. A significant regulatory action against a member of the Generali Group could have a material adverse effect on the business of the Generali Group, its results of operations and/or financial condition.

In addition, changes in government policy, legislation or regulatory interpretation applying to the financial services industry in the markets in which the Generali Group operates may adversely affect its product range, distribution channels, capital requirements and, consequently, its results and financing requirements. These changes, which may occur at any time, include possible changes in government pension requirements and policies, the regulation of selling practices and solvency requirements.

The Generali Group is subject to credit risk

The Generali Group has counterparty risk in relation to third parties. A failure by its counterparties to meet their obligations could have a material impact on its financial position. The Generali Group is exposed to credit risk, amongst other things, through holdings of fixed income instruments and loan advances.

Additionally, the Generali Group's life assurance and general insurance businesses have substantial exposure to reinsurers through reinsurance arrangements. Under such arrangements, other insurers assume a portion of the costs, losses and expenses associated with policy claims and maturities and reported and unreported losses in exchange for a portion of policy premiums. The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly. Any decrease in the amount of reinsurance cover purchased will increase the Generali Group's risk of loss. When reinsurance is obtained, the Generali Group is still liable for those transferred risks if the reinsurer does not meet its obligations. Therefore, the inability or failure of reinsurers to meet their financial obligations could materially affect the Generali Group's operations and financial condition.

A default by an institution or even concerns as to its credit-worthiness could lead to significant liquidity problems, losses or defaults by other institutions because the stability of many financial institutions may be closely linked to credit, trading, clearing or other relationships between institutions. This risk may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with which the Generali Group interacts on a daily basis and therefore could adversely affect the Generali Group.

Financial results may be affected by insurance claims

The frequency and severity of incurred and reported insurance claims are an important part of the Generali Group's overall profitability and fluctuations in insurance claims can have a material effect on the consolidated results of operations. In addition any adverse changes in the rate of claims inflation or in the cost of reinsurance protection could have a material adverse effect on the Generali Group's consolidated financial condition, results of operations and cash flows. Changes in these factors can be very difficult to predict.

Risk management policies, procedures and methods may leave the Generali Group exposed to unidentified or unanticipated risks

The Generali Group has devoted significant resources to developing policies, procedures and assessment methods to manage market, credit, liquidity and operating risk and intends to continue to do so in the future. Nonetheless, the Generali Group's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all market environments or against all types of risks, including risks that the Generali Group fails to identify or anticipate. If existing or potential customers believe that the Generali

Group's risk management policies and procedures are inadequate, the Issuer's reputation as well as its revenues and profits may be negatively affected.

The Generali Group is subject to operational risk

The Generali Group, like all financial services groups, is exposed to many types of operational risk, including the risk of fraud by employees and outsiders, unauthorised transactions by employees or operational errors, including errors resulting from faulty computer or telecommunication systems. The Generali Group's systems and processes are designed to ensure that the operational risks associated with the Generali Group's activities are appropriately monitored. Any failure or weakness in these systems or processes, however, could adversely affect the Generali Group's financial performance and business activities.

The Generali Group may be affected by increased competition

The Italian insurance market has experienced significant changes in recent years due to the introduction of several laws and regulations as a result of the implementation of a number of insurance directives issued by the European Union (EU). As a result, direct marketing of non-life and life insurance may be carried out on a cross-border basis and therefore for insurance companies it is much easier to operate outside their home state. The development of a single European market together with the reduction of regulatory restrictions is also facilitating the growth of new distribution systems, partially replacing the traditional reliance on insurance intermediaries such as agents. Changes in the regulatory regime have also increased competitive pressure on insurance companies in the Italian market in general. There is no assurance that the Generali Group will be able to compete successfully in the future against existing or potential competitors or that the Generali Group's business, financial condition and results of operations will not be adversely affected by increased competition.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (1) the audited consolidated annual financial statements of the Issuer as at and for the years ended 31 December 2004 and 2005; and
- (2) the unaudited consolidated interim financial statements of the Issuer as at and for the three months ended 31 March 2005 and 2006,

in each case together with the accompanying notes and auditor's reports where relevant.

The Issuer will provide, without charge to each person to whom a copy of this Prospectus has been delivered, upon the request of such person, a copy of any or all the documents deemed to be incorporated by reference herein. Request for such documents should be directed to the Issuer at its offices set out at the end of this Prospectus. In addition such documents will be available, without charge, at the principal office of the Fiscal Agent in Luxembourg and on the Luxembourg Stock Exchange's website (*www.bourse.lu*).

The consolidated financial statements of the Issuer incorporated by reference herein as at and for the year ended 31 December 2005 have been prepared in accordance with international accounting standards IAS/IFRS (International Accounting Standards/ International Financial Reporting Standards) as referred to herein and the consolidated financial statements of the Issuer incorporated by reference herein as at and for the year ended 31 December 2004 have been restated in accordance with international accounting standards IAS/IFRS as referred to herein.

The unaudited consolidated financial statements of the Issuer as at and for the three months ended 31 March 2006 incorporated by reference herein have been prepared in accordance with international accounting standards IAS/IFRS as referred to herein and the unaudited consolidated financial statements of the Issuer as at and for the three months ended 31 March 2005 incorporated by reference herein have been restated in accordance with international accounting standards IAS/IFRS as referred to herein.

The consolidated financial statements of the Issuer as at and for the years ended 31 December 2004 and 2005 incorporated by reference herein have been audited by PricewaterhouseCoopers S.p.A. The unaudited consolidated financial statements of the Issuer as at and for the three months ended 31 March 2005 and 2006 incorporated by reference herein have not been audited or reviewed.

The audit reports of PricewaterhouseCoopers S.p.A. described above in respect of the foregoing audited financial statements of the Issuer are included in such financial statements incorporated by reference herein.

Cross reference list

The following table shows where the information required under Annex IX, paragraph 11.1 of Commission Regulation (EC) No. 809/2004 can be found in the above-mentioned documents.

Assicurazioni Generali - Consolidated annual financial statements

| <i>Commission Regulation (EC) No. 809/2004, Annex IX, Paragraph 11.1</i> | 2005 | 2004 |
|--|---------------|---------------|
| Balance sheet | Pages 51-53 | Pages 41-50 |
| Statement of income | Page 55 | Pages 51-58 |
| Cash flow statement | Page 58 | Page 93 |
| Accounting policies and explanatory notes | Pages 61-168 | Pages 61-93 |
| Auditors' review/reports | Pages 197-198 | Pages 141-142 |

Assicurazioni Generali - Consolidated three monthly financial statements

| | 2006 | 2005 |
|---|----------------|----------------|
| Balance sheet | Pages 46 - 48 | Page 13 |
| Statement of income | Page 49 | Page 14 |
| Cash flow statement | Not applicable | Not applicable |
| Accounting policies and explanatory notes | Pages 57 - 58 | Page 9 |
| Auditors' review/reports | Not applicable | Not applicable |

Any information not listed in the cross-reference list, but included in the documents incorporated by reference, is given for information purposes only.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which will be endorsed on each Note in definitive form. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

The issue of the GBP 350,000,000 Fixed/Floating Rate Perpetual Subordinated Notes (the "**Notes**") issued by Assicurazioni Generali S.p.A. (the "**Issuer**") was authorised by a resolution of the board of directors of the Issuer passed on 10 May 2006. The Notes are the subject of a fiscal agency agreement dated 16 June 2006 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agent named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes). Certain provisions of these Conditions are a summary of the Agency Agreement and are subject to its detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

1. Interpretation

- (a) *Definitions:* In these Conditions the following expressions have the following meanings:

"**ACSM**" is the Alternative Coupon Satisfaction Mechanism described in Condition 5(d) (*Interest deferral - Alternative Coupon Satisfaction Mechanism (ACSM)*);

"**ACSM Period**" has the meaning given in Condition 5(d) (*Interest deferral - Alternative Coupon Satisfaction Mechanism (ACSM)*);

"**Adjusted Capital Amount**" means the Adjusted Equity Amount plus the New Capital Amount, in each case as determined in accordance with Applicable Accounting Standards;

"**Adjusted Equity Amount**" means, for the relevant period, total shareholders' equity before minorities as shown in the consolidated balance sheet of the Issuer, as at the end of any Reporting Period of the Issuer, minus/plus foreign currency translation adjustments and minus/plus net unrealised gains/losses included in the consolidated balance sheet of the Issuer, as determined in accordance with Applicable Accounting Standards;

"**Applicable Accounting Standards**" means the accounting standards applied by the Issuer for its published consolidated financial statements as applicable at the relevant dates and for the relevant periods;

"**Business Day**" means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in London;

"**Business Day Convention**", in relation to any particular date means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

"**Calculation Agent**" means the Fiscal Agent or any successor calculation agent appointed from time to time in connection with the Notes;

"**Consolidated Law on Private Insurance Companies**" means Italian Legislative Decree No. 449 of 13 February 1959, as amended from time to time;

“**Coupon Sheet**” means, in respect of a Note, a coupon sheet relating to the Note;

“**Current Reporting Date**” means the most recent Reporting Date;

“**Deed of Covenant**” means the deed of covenant relating to the Notes dated 16 June 2006 (as amended or supplemented from time to time) entered into by the Issuer;

“**Extraordinary Resolution**” has the meaning given in the Agency Agreement;

“**Fixed Rate Day Count Fraction**” means in respect of the calculation of an amount for any period of time in the Fixed Rate Interest Period (for the purposes of this definition, the “Calculation Period”) the actual number of days in the Calculation Period divided by the actual number of days in the relevant calendar year;

“**Fixed Rate Interest Payment Date**” means 16 June of each year beginning on 16 June 2007 up to and including the Reset Date;

“**Fixed Rate Interest Period**” means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date for so long as Condition 4(a) (*Interest - Fixed Rate*) applies;

“**Fixed Rate of Interest**” has the meaning given in Condition 4(a) (*Interest - Fixed Rate*);

“**Floating Rate Day Count Fraction**” means in respect of the calculation of an amount for any period of time in the Floating Rate Interest Period (for the purposes of this definition, the “Calculation Period”) the actual number of days in the Calculation Period divided by 365;

“**Floating Rate Interest Determination Date**” has the meaning given in Condition 4(b) (*Interest - Floating Rate*);

“**Floating Rate Interest Payment Date**” means 16 September, 16 December, 16 March and 16 June of each year beginning on 16 September 2026 up to and including the date of redemption of the Notes;

“**Floating Rate Interest Period**” means each period beginning on (and including) the Reset Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date when Condition 4(b) (*Interest - Floating Rate*) applies;

“**Floating Rate of Interest**” has the meaning given in Condition 4(b) (*Interest - Floating Rate*);

“**Generali Finance Wholesale Perpetual Notes**” means the €1,275,000,000 Fixed/Floating Rate Perpetual Guaranteed Subordinated Notes issued by Generali Finance B.V. in denominations of €50,000 and the GBP 700,000,000 Fixed/Floating Rate Perpetual Guaranteed Subordinated Notes issued by Generali Finance B.V. in denominations of GBP50,000, in each case on or about the Issue Date and guaranteed by Assicurazioni Generali S.p.A.;

“**Gross Redemption Yield**” means, with respect to a security, the gross redemption yield on such security as calculated by the Calculation Agent on the basis set out in the United Kingdom Debt Management Office in the paper “Formulae for Calculating Gilt Prices from Yields” page 4, Section One: Price/Yield Formulae “Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date” (published on 8 June 1998 and updated on 15 January 2002 and as further updated or amended) on an annual compounding basis (and rounded up (if necessary) to four decimal places);

“**Group**” means the Issuer and its Subsidiaries;

“**Interest Amount**” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

“**Interest Payment Date**” means a Fixed Rate Interest Payment Date or a Floating Rate Interest Payment Date, as the case may be;

“**Interest Period**” means a Fixed Rate Interest Period or a Floating Rate Interest Period, as the case may be;

“**ISVAP**” means the *Istituto per la Vigilanza sulle Assicurazioni Private e di Interesse Collettivo*, the Italian supervisory body for private insurance;

“**Issue Date**” means 16 June 2006;

“**Italian Legislation on Solvency Margin**” means provisions of Italian law in force as at the Issue Date governing the instruments or liabilities taken into account in calculating the Solvency Margin;

“**Junior Securities**” means (A) all classes of share capital (including preference shares - *azioni privilegiate* - and savings shares - *azioni di risparmio*) of the Issuer, (B) any obligation, including preferred securities, guarantee or similar instrument issued by the Issuer which ranks junior to the Notes, and (C) any guarantee or similar instrument from the Issuer, ranking junior to the Notes, covering the preferred securities or preferred or preference shares issued by a Subsidiary of the Issuer;

“**Lagged Reporting Date**” means the Reporting Date immediately prior to the Current Reporting Date;

“**Lead Regulator**” means ISVAP, or any successor entity of ISVAP, or any other competent lead regulator to which the Issuer becomes subject;

“**Legislative Decree No. 239**” has the meaning given in Condition 8 (*Taxation*);

“**Less Deeply Subordinated Obligations**” means any obligation of the Issuer, whether or not having a fixed maturity date, which by its terms is, or is expressed to be, subordinated in the event of liquidation or insolvency of the Issuer to the claims of any unsubordinated creditors of the Issuer but senior to the Notes, including (but without limitation to the generality of the foregoing) obligations of the Issuer deriving from instruments or liabilities (or subordinated guarantees relating to instruments issued by a Subsidiary of the Issuer) eligible for an accounting treatment of (a) up to 25 per cent. of the Solvency Margin, in accordance with the Italian Legislation on Solvency Margin, or (b) in case of future amendments to the Italian Legislation on Solvency Margin, up to such other fraction of the Solvency Margin as will apply to dated instruments or liabilities, as opposed to perpetual instruments or liabilities;

“**Liquidazione Coatta Amministrativa**” means *Liquidazione Coatta Amministrativa* as described in Articles 245 and 276 of the Consolidated Law on Private Insurance Companies;

“**Make Whole Amount**” in respect of each Note means the amount, expressed as a percentage (rounded to the nearest one hundred-thousandth of a percentage point, 0.00005 being rounded upwards) at which the Gross Redemption Yield on the Note on the Reset Date (assuming for this purpose that the Notes are to be redeemed at their principal amount on the Reset Date) is equal to the Gross Redemption Yield (determined by reference to the middle market price) at 11.00 a.m. (London time) on the Regulatory Event Redemption Date of the Reference Bond plus 0.60 per cent., all as determined by the Calculation Agent;

A “**Mandatory Deferral Event**” shall have occurred if up to the end of the tenth Business Day preceding any Interest Payment Date:

- (i) the aggregate Net Income of the Issuer for two consecutive Reporting Periods ending on the Lagged Reporting Date is less than zero, and
- (ii) the Adjusted Equity Amount of the Issuer as at the Lagged Reporting Date has declined by more than 10 per cent. as compared to the Adjusted Equity Amount as at the Reporting Date that is 24 months prior to such Lagged Reporting Date, and

- (iii) the Adjusted Capital Amount of the Issuer as at the Current Reporting Date has declined by more than 10 per cent. as compared to the Adjusted Equity Amount as at the Reporting Date that is 30 months prior to such Current Reporting Date;

“**Net Income**” means, for the relevant period, reported net income as shown in the consolidated income statement of the Issuer, for any Reporting Period of the Issuer, as determined in accordance with Applicable Accounting Standards;

“**New Capital Amount**” means the net proceeds received by the Issuer or any other member of the Group from the external issuance and/or sale of ordinary shares and/or saving shares from the Lagged Reporting Date up to the relevant Interest Payment Date;

“**Parity Securities**” means (A) any obligations, guarantees or instruments issued by the Issuer which rank equally with the Notes (including the obligations of the Issuer deriving from a subordinated guarantee granted in connection with the issue of the Generali Finance Wholesale Perpetual Notes), and (B) any instruments issued by a Subsidiary of the Issuer which have the benefit of a guarantee or similar instrument from the Issuer, which guarantee or similar instrument ranks equally with the Notes;

“**Permitted Repurchase**” has the meaning given in Condition 5(a) (*Interest deferral - Optional deferral of interest*);

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“**Prezzo Ufficiale**” has the meaning given to it in article 1.3 of the Italian Stock Exchange Regulations (*Regolamento dei Mercati Organizzati e Gestiti dalla Borsa Italiana S.p.A.*), as amended, modified or supplemented, from time to time, by the Italian Stock Exchange and CONSOB;

“**Rate of Interest**” means the Fixed Rate of Interest or the Floating Rate of Interest, as the case may be;

“**Reference Bond**” means the 5.00 per cent. Treasury Stock due 7 March 2025, or if such stock is no longer in issue such other United Kingdom government stock with a maturity date as near as possible to the Reset Date, as the Calculation Agent may, with the advice of the Reference Market Makers, determine to be appropriate;

“**Reference Market Makers**” means three brokers or market makers of gilts selected by the Calculation Agent in consultation with the Issuer or such other three persons operating in the gilt-edged market as are selected by the Calculation Agent in consultation with the Issuer;

“**Regulatory Event**” means that the Issuer (i) is no longer subject to the consolidated regulatory supervision of a Lead Regulator; or (ii) is subject to the consolidated regulatory supervision of a Lead Regulator and is not permitted under the applicable rules and regulations adopted by such Lead Regulator, or an official application or interpretation of those rules and regulations including a decision of any court or tribunal, at any time whilst any of the Notes are outstanding to treat the Notes as own funds for the purposes of the determination of the Solvency Margin eligible to count for (a) up to 50 per cent. of the Solvency Margin, under the Italian Legislation on Solvency Margin, or (b), in case of future amendments to the Italian Legislation on Solvency Margin, up to such other fraction of the Solvency Margin as will apply to perpetual subordinated instruments or liabilities as opposed to dated subordinated instruments or liabilities;

“**Regulatory Intervention**” means a request from ISVAP or any other relevant supervisory authority to restore any Required Solvency Margin;

“Regulatory Event Redemption Date” means the date fixed for redemption of the Notes in a notice delivered by the Issuer pursuant to Condition 6(b) (*Redemption and Purchase - Redemption due to a Regulatory Event*) following a Regulatory Event;

“Relevant Date” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

“Reporting Date” means 30 June or 31 December in any year;

“Reporting Period” means a six month period ending on a Reporting Date;

“Required Solvency Margin” means the Solvency Margin required from time to time by a Lead Regulator;

“Reserved Matter” means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

“Reset Date” has the meaning given in Condition 4(a) (*Interest - Fixed Rate*);

“Solvency Margin” means the Issuer’s consolidated and non-consolidated solvency margins (*marginie di solvibilità*) as determined pursuant to the rules of a Lead Regulator;

“Solvency Margin Event” has the meaning given in Condition 5(e) (*Interest deferral - Loss absorption provisions*);

“Specified Office” has the meaning given in the Agency Agreement;

“Subsidiary” means, in relation to any Person (the **“first Person”**) at any particular time, any other Person (the **“second Person”**):

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

“Talon” means a talon for further Coupons; and

“Treaty” means the Treaty establishing the European Communities, as amended.

(b) *Interpretation:* In these Conditions:

- (i) any reference to principal shall be deemed to include the principal amount of the Notes, any additional amounts in respect of principal which may be payable under Condition 8 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 8 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions; and
- (iii) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement.

2. Form, Denomination and Title

The Notes are in bearer form in denominations of GBP 50,000 with Coupons and Talons attached at the time of issue. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. No Person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

3. Status and Subordination of the Notes

- (a) *Status of the Notes:* The Notes constitute direct, unsecured and subordinated obligations of the Issuer and rank:
 - (i) *pari passu* without any preference among themselves and *pari passu* with the Parity Securities;
 - (ii) junior in right of payment to the payment of any present or future claims of all unsubordinated creditors of the Issuer (including obligations to policyholders) and to all Less Deeply Subordinated Obligations; and
 - (iii) senior in right of payments to the Junior Securities.
- (b) *Subordination:* By virtue of such subordination, payments to Noteholders will, in the event of the winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of the Issuer only be made after, and any set-off by any Noteholders shall be excluded until, the payment of any present or future claims of all unsubordinated creditors of the Issuer (including obligations to policyholders) and of all Less Deeply Subordinated Obligations in any such winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of the Issuer have been satisfied in full or after an arrangement or composition has been arrived at with them under which they have given full discharge against receipt of part of their claim.

4. Interest

- (a) *Fixed Rate:* The Notes bear interest from and including the Issue Date to but excluding the Interest Payment Date falling in 16 June 2026 (the “**Reset Date**”) at the rate of 6.269 per cent. per annum (the “**Fixed Rate of Interest**”), payable, subject as provided in these Conditions, annually in arrear on each Fixed Rate Interest Payment Date. The first interest payment shall be made on 16 June 2007 in respect of the period from (and including) the Issue Date to (but excluding) 16 June 2007 and shall be in the amount of GBP 3,134.50 per Note of GBP 50,000 denomination. The amount of interest payable in respect of each Note for any period which is not equal to a Fixed Rate Interest Period shall be calculated by applying the Fixed Rate of Interest to the principal amount of such Note, multiplying the product by the Fixed Rate Day Count Fraction and rounding the resulting figure to the nearest pence (half a pence being rounded upwards).
- (b) *Floating Rate:*
 - (i) If the Issuer does not redeem the Notes in accordance with Condition 6(a) (*Redemption and Purchase - Redemption at the option of the Issuer*) on the Reset Date, the Notes will bear interest for each Floating Rate Interest Period at the Floating Rate of Interest (as defined below) payable, subject as provided in these Conditions, in arrear on each Floating Rate Interest Payment Date.

- (ii) The rate of interest applicable to the Notes (the “**Floating Rate of Interest**”) for each Floating Rate Interest Period will be determined by the Calculation Agent on the following basis:
- (1) the Calculation Agent will determine the rate for deposits in Sterling for a period equal to the relevant Floating Rate Interest Period which appears on the display page designated 3750 on the Moneyline Telerate Service (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying comparable rates) as of 11.00 a.m. (London time) on the second Business Day before the first day of the relevant Floating Rate Interest Period (the “**Floating Rate Interest Determination Date**”);
 - (2) if such rate does not appear on that page, the Calculation Agent will:
 - (I) request the principal London office of each of four major banks in the London interbank market to provide a quotation of the rate at which deposits in Sterling are offered by it in the London interbank market at approximately 11.00 a.m. (London time) on the Floating Rate Interest Determination Date to prime banks in the London interbank market for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time; and
 - (II) determine the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards) of such quotations; and
 - (iii) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean (rounded, if necessary, as aforesaid) of the rates quoted by major banks in London, selected by the Calculation Agent, at approximately 11.00 a.m. (London time) on the first day of the relevant Interest Period for loans in Sterling to leading banks in London for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Floating Rate of Interest for such Floating Rate Interest Period shall be the sum of 2.35 per cent. per annum and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Floating Rate Interest Period, the Floating Rate of Interest applicable to the Notes during such Floating Rate Interest Period will be the sum of 2.35 per cent. per annum and the rate or (as the case may be) arithmetic mean last determined in relation to the Notes in respect of a preceding Floating Rate Interest Period, or, where there has been no such previous determination, the Floating Rate of Interest shall be equal to the Fixed Rate of Interest plus 1 per cent. per annum.

- (iii) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Floating Rate of Interest is to be determined in relation to each Floating Rate Interest Period, calculate the Interest Amount payable in respect of each Note for such Floating Rate Interest Period. The Interest Amount will be calculated by applying the Floating Rate of Interest for such Floating Rate Interest Period to the principal amount of such Note during such Floating Rate Interest Period and multiplying the product by the relevant Floating Rate Day Count Fraction.
- (iv) *Publication:* The Calculation Agent will cause each Floating Rate of Interest and Interest Amount determined by it, together with the relevant Floating Rate Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant

payment date(s) to be notified to the Paying Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Floating Rate of Interest, Interest Amount and Floating Rate Interest Payment Date) in any event not later than the first day of the relevant Floating Rate Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Floating Rate Interest Period.

- (v) *Notifications etc*: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Coupon holders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (c) *Interest accrual*: Each Note will cease to bear interest from (but excluding) maturity or the due date for redemption pursuant to Conditions 6(a) (*Redemption and Purchase - Redemption at the option of the Issuer*), 6(b) (*Redemption and Purchase - Redemption due to a Regulatory Event*) or 6(c) (*Redemption and Purchase - Redemption for tax reasons*) unless, upon due presentation, payment of principal in respect of the Notes is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

5. Interest deferral

- (a) *Optional deferral of interest*: The Issuer may elect, by giving notice to the Noteholders pursuant to Condition 14 (*Notices*) below, to defer payment:
 - (A) of all (or some only) of the interest accrued to an Interest Payment Date if (i) during the 12-month period prior to such Interest Payment Date no dividend or other distribution has been declared, made, approved or set aside for payment in respect of any Junior Securities or Parity Securities; and (ii) during the 12-month period prior to such Interest Payment Date neither the Issuer nor any of its Subsidiaries has redeemed, repurchased or acquired any Junior Securities (other than a Permitted Repurchase) or Parity Securities; or
 - (B) of part only, *pari passu* and *pro rata*, of the interest accrued to an Interest Payment Date if and to the extent that during the 12-month period prior to such Interest Payment Date a partial distribution has been declared, made, approved or set aside for payment in respect of any Parity Securities.

The Issuer shall give not more than 25 nor less than 15 days prior notice to the Paying Agents and to the Noteholders in accordance with Condition 14 (*Notices*) of any Interest Payment Date on which, pursuant to the provisions of this Condition 5(a), it elects not to pay interest and such notice shall include a confirmation of the Issuer's entitlement to defer interest, together with details of the amount of interest to be deferred on such Interest Payment Date and the amount of interest (if any) to be paid on such Interest Payment Date.

"Permitted Repurchase" means (1) any redemption, repurchase or other acquisition of such Junior Securities held by any member of the Group, (2) a reclassification of the equity share

capital of the Issuer or any of its Subsidiaries or the exchange or conversion of one class or series of equity share capital for another class or series of equity share capital, (3) the purchase of fractional interests in the share capital of the Issuer or any of its Subsidiaries pursuant to the conversion or exchange provisions of such security being converted or exchanged, (4) any redemption or other acquisition of Junior Securities in connection with a levy of execution for the satisfactions of a claim by the Issuer or any of its Subsidiaries, or (5) any redemption or other acquisition of Junior Securities in connection with the satisfaction by the Issuer or any of its Subsidiaries of its obligations under any employee benefit plan or similar arrangement.

In the event that the Issuer may elect to defer part of the interest *pro rata* with distributions on any Parity Securities, such interest may be deferred in the same proportion that the distribution on such Parity Security bears to the stated scheduled distribution to be paid on such Parity Security.

Where the Issuer elects to defer an interest payment pursuant to this Condition 5(a) it shall not have any obligation to make such interest payment on the relevant Interest Payment Date, and the failure to pay such interest shall not constitute a default of the Issuer or any other breach of obligations under the Conditions or for any purpose.

- (b) *Mandatory deferral of interest:* The Issuer will be required to defer payment of all (but not some only) of the interest accrued to an Interest Payment Date if the Fiscal Agent has received written notice from the Issuer confirming that:
 - (A) a Regulatory Intervention regarding the Issuer has occurred and such Regulatory Intervention is continuing on such Interest Payment Date; or
 - (B) a Mandatory Deferral Event has occurred.

If the Issuer is required to defer a payment of interest following the occurrence of a Mandatory Deferral Event in accordance with this Condition 5(b) on an Interest Payment Date, then the Issuer will also be required to defer on one or more subsequent Interest Payment Dates the interest that would otherwise be due without application of this Condition 5(b) on such Interest Payment Dates until the Mandatory Deferral Event has been cured (in accordance with Condition 5(c) (*Deferral of Interest - Payment of deferred interest*)) on any subsequent Interest Payment Date.

- (c) *Payment of deferred interest:* Any unpaid amounts of interest that have been deferred in accordance with this Condition 5 will constitute arrears of interest and no interest will accrue on such arrears of interest.
 - (i) *Optional payment:* Arrears of interest that have accrued pursuant to Conditions 5(a) (*Interest deferral - Optional deferral of interest*) and 5(b) (*Interest deferral - Mandatory deferral of interest*) may at the option of the Issuer be paid in whole or in part at any time only with funds raised by way of the ACSM in accordance with Condition 5(d) (*Interest deferral - Alternative Coupon Satisfaction Mechanism (ACSM)*).
 - (ii) *Mandatory payment:* Arrears of interest shall become due and payable:
 - (i) in part *pari passu* and *pro rata* if and to the extent that the Issuer makes payments in part of or in respect of amounts of interest on or in relation to any other *pari passu* claims; and
 - (ii) in full on the earlier of:
 - (1) the Interest Payment Date falling immediately on or after the date on which dividends or other distributions on any Junior Securities or Parity Securities have been declared or paid;

- (2) the Interest Payment Date falling immediately on or after the date on which any Parity Securities or any Junior Securities are redeemed, repurchased or acquired by the Issuer or any of its Subsidiaries;
- (3) the Interest Payment Date immediately following the date upon which (x) no Regulatory Intervention is or will be continuing on such Interest Payment Date and (y) no new Mandatory Deferral Event has occurred and any of the previous Mandatory Deferral Events have been cured, provided, in each case, that the Issuer would not, as at such Interest Payment Date, be entitled to defer payment of interest pursuant to Condition 5(a) (*Interest deferral - Optional deferral of interest*);
- (4) the date fixed for any redemption of the Notes pursuant to Condition 6 (*Redemption and Purchase*);
- (5) the date on which the *Liquidazione Coatta Amministrativa* of the Issuer is commenced pursuant to the Consolidated Law on Private Insurance Companies or on which voluntary winding up proceedings of the Issuer are instituted or on which the Issuer becomes subject to a liquidation order; and
- (6) the date falling 10 years after the Interest Payment Date on which payment of interest has first been deferred.

Notwithstanding the foregoing, arrearages of interest will become payable in accordance with this Condition 5 (c) only where the Issuer is able to make the payment with funds raised by way of the ACSM in accordance with Condition 5(d) (*Interest deferral - Alternative Coupon Satisfaction Mechanism (ACSM)*). If, despite the Issuer using its best efforts and/or doing all that is reasonably possible to raise funds by way of the ACSM in accordance with Condition 5(d) (*Interest deferral - Alternative Coupon Satisfaction Mechanism (ACSM)*), the Issuer fails to make the payment with funds raised by way of the ACSM, then, notwithstanding the occurrence of any of the events or circumstances described in Condition 5(c)(ii)(A) or (B), arrearages of interest will not be required to be paid.

For the purpose of this Condition 5, a Mandatory Deferral Event that was triggered will have been cured if the Adjusted Capital Amount of the Issuer as at the Current Reporting Date is less than 10 per cent. below the Adjusted Equity Amount as originally measured at the time the Mandatory Deferral Event was triggered.

(d) *Alternative Coupon Satisfaction Mechanism (ACSM):*

- (i) Payment of amounts in respect of interest under the ACSM may only be made to the extent of funds raised by either (I) issuing new shares of the Issuer (save that, in the case of deferral of interest due to a Mandatory Deferral Event, the Issuer shall not, in any year, issue new ordinary shares for the purposes of the ACSM (including any new shares for the purposes of any equivalent ACSM provisions of any Parity Securities or any Junior Securities) in excess of 2 per cent. of the market value of the Issuer's ordinary share capital, such market value to be determined by the Calculation Agent as at the end of each financial year of the Issuer on the basis of the *Prezzo Ufficiale* of the Issuer's ordinary shares and for the avoidance of doubt any such funds so raised shall be applied firstly pro rata in respect of any amounts to be settled in relation to Parity Securities and only thereafter in respect of any amounts to be settled in relation to any Junior Securities) or selling treasury shares of the Issuer (save that for the purposes of selling treasury shares no treasury shares can be sold that have been purchased within the preceding six months), subject to the existence of the appropriate necessary corporate powers applicable to the Issuer at the time of the issuance or the disposal of the shares;

or (II) issuing new Issuer securities ranking junior to or *pari passu* with the Notes and having features at least similar to the Notes. In the case of deferral of interest due to a Mandatory Deferral Event, such junior or *pari passu* ranking securities can only be issued up to a nominal amount of 25 per cent. of the aggregate principal amount of the Notes outstanding from time to time for this purpose.

- (ii) For any five-year period following the date on which deferred interest becomes payable (the “**ACSM Period**”) pursuant to Condition 5(c)(ii) (*Interest deferral - Payment of deferred interest*), (I) the Issuer shall use its best efforts to settle any such deferred amount in accordance with the ACSM and (II) the Issuer shall do all that is reasonably possible to obtain and maintain delegated authority to issue sufficient new ordinary shares and/or to hold and sell treasury shares, in each case to cover one year of Coupons and any outstanding deferred amount of interest payable by the Issuer.
 - (iii) If at the end of any ACSM Period in respect of any deferred interest payment the Issuer has been unable to make full payment of such deferred interest in accordance with the ACSM, the obligations of the Issuer to satisfy the amount of interest that was deferred at the beginning of such ACSM Period shall, to the extent not already settled under the ACSM, be cancelled, provided that contingently upon *Liquidazione Coatta Amministrativa* of the Issuer being commenced pursuant to the Consolidated Law on Private Insurance Companies or voluntary winding up proceedings of the Issuer are instituted or the Issuer becoming subject to a liquidation order, Noteholders shall be entitled to claim such unsettled amount in the liquidation of the Issuer under the Deed of Covenant, and such claim shall rank *pari passu* with the obligations of the Issuer in respect of its saving shares.
 - (iv) For the avoidance of doubt, under no circumstances shall there be an obligation on the part of the Issuer to issue new shares or sell treasury shares, which may be restricted by provisions of applicable Italian law.
- (e) *Loss absorption provisions:* To the extent that the Issuer at any time suffers losses (also taking into account profits and losses relating to previous financial years) which would result in the Solvency Margin being reduced below the Required Solvency Margin (the “**Solvency Margin Event**”), the obligations of the Issuer to make payments in respect of the Notes, will be deferred to the extent necessary to enable the Issuer to continue to carry on its activities in accordance with applicable regulatory requirements. In any such case, interest will continue to accrue on the nominal value of the Notes. The obligations of the Issuer to make payments in respect of the Notes, will, subject to the provisions of Conditions 5(a) to (d), be reinstated (in priority to any Junior Securities and on a *pari passu* basis with any Parity Securities), as if such obligations of the Issuer had not been so deferred:
- (i) in whole, in the event of winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of the Issuer and with effect immediately prior to the commencement of such winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*); and
 - (ii) in whole, in the event of early redemption of the Notes pursuant to Conditions 6(a) (*Redemption and Purchase - Redemption at the option of the Issuer*), 6(b) (*Redemption and Purchase - Redemption due to a Regulatory Event*) or 6(c) (*Redemption and Purchase - Redemption for tax reasons*); and
 - (iii) in whole or in part, from time to time, to the extent that the Solvency Margin Event is no longer continuing and, therefore, the Solvency Margin is again at least equal to the Required Solvency Margin.

The Issuer shall forthwith give notice of any such reduction and/or reinstatement to the Noteholders in accordance with Condition 14 (*Notices*) below and such notice shall include a

confirmation of the Issuer's entitlement to such reduction and/or reinstatement, together with details of the amounts to be so reduced and/or reinstated.

6. **Redemption and Purchase**

The Notes will mature and be redeemed by the Issuer on the date on which voluntary or involuntary winding up proceedings are instituted in respect of the Issuer, in accordance with, as the case may be, (i) a resolution of the shareholders' meeting of the Issuer, (ii) any provision of the by-laws of the Issuer (currently, maturity of the Issuer is set at 31 December 2131 though if this is extended, redemption of the Notes will be equivalently adjusted), or (iii) any applicable legal provision, or any decision of any jurisdictional or administrative authority. The Notes may not be redeemed at the option of the Issuer except in accordance with the provisions of this Condition 6. Any redemption in accordance with this Condition 6, save in accordance with the first sentence of this paragraph, is subject to the prior approval of ISVAP. The Notes may not be redeemed at the option of the Noteholders.

- (a) *Redemption at the option of the Issuer:* The Notes may be redeemed at the option of the Issuer in whole, but not in part, on the Reset Date and on any Interest Payment Date thereafter at a redemption price equal to their principal amount together with interest accrued (if any) up to, but excluding, the date fixed for redemption on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes on the date specified therein).
- (b) *Redemption due to a Regulatory Event:* The Notes may be redeemed at the option of the Issuer on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes in the amount and on the date specified therein) in whole, but not in part, at any time before the Reset Date following the occurrence of a Regulatory Event at a redemption price equal to the greater of (x) the principal amount of the Notes together with interest accrued (if any) up to, but excluding, the Regulatory Event Redemption Date and (y) the Make Whole Amount.
- (c) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes in the amount and on the date specified therein) in whole, but not in part, at any time before the Reset Date at a redemption price equal to their principal amount together with interest accrued (if any) up to, but excluding, the date fixed for redemption if:
 - (A) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the Notes and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
 - (B) (1) interest payable by the Issuer in respect of the Notes is no longer, or will no longer be, fully deductible by the Issuer for Italian income tax purposes as a result of any change in, or amendment to, the laws or regulations or applicable accounting standards of the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of issue of the Notes; and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which interest starts accruing in respect of which the Issuer would, in the case of (A), be obliged to pay such additional amounts if a payment in respect of the Notes were then due, or, in the case of (B), be unable to deduct such amounts for Italian income tax purposes.

Prior to the publication of any notice of redemption pursuant to Conditions 6(b) or (c), the Issuer shall deliver or procure that there is delivered to the Fiscal Agent (1) a certificate signed by a legal representative of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) in the case of Condition 6(c), an opinion of independent legal advisers of recognised standing to the effect that, in the case of (A), the Issuer has or will become obliged to pay such additional amounts or, in the case of (B), the Issuer is unable to deduct such amounts for Italian income tax purposes as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this Condition 6, the Issuer shall be bound to redeem the Notes in accordance with this Condition 6.

- (d) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (c) above or upon maturity.
- (e) *Purchase:* The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith.
- (f) *Cancellation:* All Notes so redeemed or purchased by the Issuer and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold. All Notes so purchased by any Subsidiary of the Issuer may be held or resold or may be surrendered for cancellation together with any unmatured Coupons.

7. **Payments**

- (a) *Principal:* Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by Sterling cheque drawn on, or by transfer to a Sterling account maintained by the payee with, a bank in London.
- (b) *Interest:* Payments of interest shall, subject to paragraph (e) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (d) *Unmatured Coupons void:* On the due date for redemption of any Note upon maturity or pursuant to Conditions 6(a) (*Redemption and Purchase - Redemption at the option of the Issuer*), 6(b) (*Redemption and Purchase - Redemption due to a Regulatory Event*) or 6(c) (*Redemption and Purchase - Redemption for tax reasons*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof. If the date on which the Notes become due is not an Interest Payment Date, the interest accrued (if any) from the preceding Interest Payment Date (or the Issue Date, as the case may be) on any Note shall be payable only against surrender or endorsement of the relevant Coupon, subject to the provisions of Conditions 4 (*Interest*) and 5 (*Interest deferral*) regarding the payment of interest.

- (e) *Payments on business days*: If the due date for payment of any amount in respect of any Note or Coupon is not a Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (f) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States.
- (g) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (h) *Exchange of Talons*: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 9 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

8. Taxation

- (a) *Gross up*: All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:
 - (i) in the Republic of Italy; or
 - (ii) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the Republic of Italy other than the mere holding of such Note or Coupon; or
 - (iii) to the extent that interest or any other amount payable is paid to a non-Italian resident entity or a non-Italian resident individual which is resident for tax purposes in one of the countries or territories not allowing the Italian tax authorities to obtain appropriate information in respect of the beneficiary of the payments made from the Republic of Italy (listed in Ministerial Decree of 4 September 1996, as subsequently amended and supplemented); or
 - (iv) by an Italian resident, to the extent that interest is paid to an Italian individual or an Italian legal entity not carrying out commercial activities (in particular (A) partnerships, de facto partnerships not carrying out commercial activities and professional associations, (B) public and private resident entities, other than companies, not carrying out commercial activities, (C) real estate investment funds referred to in Law No. 86 of 25 January 1994, and (D) certain other Persons exempt from corporate income tax) or to such other Italian resident entities which have been or may be identified by

Legislative Decree No. 239 of 1 April 1996 and related regulations of implementation which have been or may subsequently be enacted (“**Legislative Decree No. 239**”); or

- (v) in all circumstances in which the requirements and procedures set forth in Legislative Decree No. 239 have not been met or complied with except where such requirements and procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or
 - (vi) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other law implementing or complying with, or introduced in order to conform to, such Directive; or
 - (vii) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the EU; or
 - (viii) more than 30 days after the Relevant Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had presented such Note or Coupon on the last day of such period of 30 days.
- (b) *Taxing jurisdiction*: If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to the Republic of Italy shall be construed as references to such other jurisdiction.

9. **Prescription**

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

10. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are then admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such listing authority, stock exchange and/or quotation system), subject to all applicable laws and listing authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

11. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or Calculation Agent and additional or successor paying agents; *provided, however, that*:

- (a) the Issuer shall at all times maintain a Fiscal Agent; and
- (b) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council

Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and

- (c) the Issuer shall at all times maintain a Calculation Agent; and
- (d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system the rules of which require the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its Specified Office in the place required by the rules of such listing authority, stock exchange and/or quotation system; and
- (e) there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the jurisdiction in which the Issuer is incorporated.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

12. Meetings of Noteholders; Modification and Waiver; Substitution

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In relation to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution, the following provisions shall apply in respect of the Notes:

- (A) a meeting may be convened by the Issuer or the Noteholders' Representative and shall be convened by either of them upon the request in writing of Noteholders holding not less than one-twentieth of the aggregate principal amount of the outstanding Notes;
 - (B) a meeting of Noteholders will be validly held if (i) there are one or more persons present, being or representing Noteholders holding at least one half of the aggregate principal amount of the outstanding Notes, or (ii) in the case of a second meeting following adjournment of the first meeting for want of quorum, there are one or more persons present being or representing Noteholders holding more than one third the aggregate principal amount of the outstanding Notes, or (iii) in the case of any subsequent meeting following any further adjournments for want of quorum, there are one or more persons present being or representing Noteholders holding at least one fifth of the aggregate principal amount of the outstanding Notes provided, however, that the quorum shall always be at least one half of the aggregate principal amount of the outstanding Notes for the purposes of considering a Reserved Matter and provided further that the by-laws of the Issuer may from time to time require a higher quorum;
 - (C) the majority required to pass an Extraordinary Resolution (including any meeting convened following adjournment of the previous meeting for want of quorum) will be one or more persons holding or representing at least two thirds of the aggregate principal amount of the Notes represented at the meeting, provided, however, that a Reserved Matter may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders by one or more persons holding or representing at least one half of the aggregate principal amount of the outstanding Notes and provided further that the by-laws of the Issuer may from time to time require a larger majority.
- (b) *Noteholders' Representative:* Pursuant to Articles 2415 and 2417 of the Italian Civil Code, a Noteholders' Representative (*rappresentante comune*) may be appointed, *inter alia*, to represent the interests of Noteholders in respect of the Notes, such appointment to be made by an Extraordinary Resolution or by an order of a competent court at the request of one or more

Noteholders or the Issuer. The Noteholders' Representative shall have the powers and duties set out in Article 2418 of the Italian Civil Code.

- (c) *Modification:* These Conditions may not be amended without the prior approval of ISVAP. The Notes and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree without the consent of the Noteholders to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.
- (d) *Substitution:* Any duly incorporated Subsidiary of the Issuer in good standing under the laws of its jurisdiction may, without the consent of the Noteholders, but with the prior written approval of the Issuer, assume liability as the principal debtor in respect of the Notes (the “**Substituted Debtor**”), provided that:
 - (i) a deed poll and such other documents (if any) shall be executed by the Substituted Debtor and the other parties to the Agency Agreement, as may be necessary to give full effect to the substitution (the “**Documents**”) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder and each Accountholder (as defined in the Deed of Covenant) to be bound by these Conditions, the Deed of Covenant and the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes, the Deed of Covenant and the Agency Agreement as the principal debtor in respect of the Notes in place of the Issuer. An unconditional and irrevocable deed of guarantee substantially in the form annexed to the Agency Agreement shall be executed by Assicurazioni Generali S.p.A. whereby Assicurazioni Generali S.p.A. shall guarantee in favour of each Noteholder and each Accountholder the payment of all sums payable by the Substituted Debtor as such principal debtor to substantially to the extent of, and in the terms specified in, the form of deed of guarantee annexed to the Agency Agreement (such guarantee is herein referred to as the “**Substitution Guarantee**” and such guarantor as the “**Guarantor**”);
 - (ii) the Documents and the Substitution Guarantee shall contain a warranty and representation by the Substituted Debtor and the Guarantor (a) that each of the Substituted Debtor and the Guarantor has obtained all necessary governmental and regulatory approvals and consents for such substitution and the giving of the Substitution Guarantee, (b) that each of the Substituted Debtor and the Guarantor has obtained all necessary governmental and regulatory approvals and consents for the performance by each of the Substituted Debtor and the Guarantor of its obligations under the Documents and the Substitution Guarantee and that all such approvals and consents are in full force and effect and (c) that the obligations assumed by each of the Substituted Debtor and the Guarantor are legal, valid and binding in accordance with their respective terms and enforceable by each Noteholder and each Accountholder (subject to all applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and general equitable principles);
 - (iii) a legal opinion shall have been delivered to the Fiscal Agent from whom copies will be available to Noteholders (and if applicable Accountholders) (a) from lawyers of recognised standing as to matters of law of the jurisdiction of the place of incorporation of the Substituted Debtor confirming that upon the substitution taking place (1) the requirements of this Condition 12(d), save as to the giving of notice to the Noteholders, have been met, (2) the Notes, the Deed of Covenant and the Agency Agreement are legal, valid, binding and enforceable obligations of the Substituted Debtor (subject to all applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and general equitable principles), (3) the Substituted Debtor is validly incorporated under the laws of its jurisdiction, and (4) that the Substituted Debtor has

obtained all necessary governmental and regulatory approvals and consents for the substitution and for the entry into and performance of the Documents and (b) from the legal counsel to the Guarantor confirming that upon the substitution taking place, (1) the Substitution Guarantee and the Documents are legal, valid, binding and enforceable obligations of the Guarantor and (2) the Guarantor has the power to enter into and perform the obligations to be assumed by the Guarantor in the Documents and the Substitution Guarantee;

- (iv) Standard & Poor's Rating Services, a division of McGraw-Hill Companies, Inc., Moody's Investors Service Limited and Fitch Ratings Limited or its or their successors shall have confirmed to the Substituted Debtor, the Guarantor and the Fiscal Agent that after giving effect to such substitution and the giving of the Substitution Guarantee, the Notes shall continue to be rated the same as immediately prior to the substitution;
- (v) no right of redemption pursuant to Condition 6 (*Redemption and Purchase*), any of the Documents or the Substitution Guarantee would become applicable on or as a result of such substitution;
- (vi) the appropriate regulatory authorities in Luxembourg shall have confirmed to the Substituted Debtor, the Guarantor and the Fiscal Agent that, after giving effect to such substitution and the giving of the Substitution Guarantee, the Notes shall continue to be listed on the Luxembourg Stock Exchange; and
- (vii) a certificate of solvency of the Substituted Debtor, signed by two directors of the Substituted Debtor shall have been delivered to the Fiscal Agent.

Upon the execution of the Documents and the delivery of the legal opinions as referred to in paragraph (a) above; (i) the Substituted Debtor shall be deemed to be named in the Notes, the Deed of Covenant and the Agency Agreement as the principal debtor in place of the Issuer and the Notes, the Deed of Covenant and the Agency Agreement shall thereupon be deemed to be amended to give effect to the substitution and (ii) the Issuer shall be released from all of its obligations under or in respect of the Notes, the Deed of Covenant and the Agency Agreement.

Counterparts of each of the Documents shall be deposited with and held by the Fiscal Agent for so long as any of the Notes remains outstanding and for so long as any claim made against the Substituted Debtor or the Guarantor by any Noteholder or Accountholder in relation to the Notes, the Documents or the Substitution Guarantee shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Guarantor shall acknowledge in the Documents and the Substitution Guarantee the right of every Noteholder and Accountholder to the production of the Documents for the enforcement of any of the Notes, Documents or Substitution Guarantee.

Not later than 20 days after the execution of the Documents, the Substituted Debtor together with the Issuer shall give notice thereof to the Noteholders in accordance with Condition 14 (*Notices*).

13. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

14. **Notices**

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) and, if the Notes which are listed or admitted to trading on the Luxembourg Stock Exchange and the rules of that exchange so require, a leading newspaper having general circulation in Luxembourg (which is expected to be *d'Wort*) or

on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

15. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

16. **Rounding**

For the purposes of any calculations referred to in these Conditions, all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.).

17. **Governing Law and Jurisdiction**

- (a) *Governing law*: The Notes are governed by, and shall be construed in accordance with, English Law. The relevant provisions of the Agency Agreement concerning meetings of Noteholders and the appointment of a Noteholders’ Representative (*rappresentante commune*) are subject to compliance with the laws of the Republic of Italy.
- (b) *Jurisdiction*: The Issuer agrees for the benefit of the Noteholders that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes (respectively, “**Proceedings**” and “**Disputes**”) and, for such purposes, irrevocably submits to the jurisdiction of such courts.
- (c) *Appropriate forum*: The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.
- (d) *Service of Process*: The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to the person or persons for the time being registered at the Companies Register under Part XXIII of the Companies Act 1985 and authorised to accept service of process in England on behalf of the Issuer. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Noteholder addressed to the Issuer and delivered to the Issuer, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the

Issuer and delivered to the Issuer. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

- (e) *Non-exclusivity*: The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of any Noteholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Notes will initially be in the form of a Temporary Global Note which will be deposited on or around 16 June 2006 (the “**Closing Date**”) with a common depository for Euroclear and Clearstream, Luxembourg. The Temporary Global Note will be exchangeable in whole or in part for interests in a Permanent Global Note not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form (“**Definitive Notes**”) in the denomination of GBP 50,000, at the request of the bearer of the Permanent Global Note against presentation and surrender of the Permanent Global Note to the Fiscal Agent if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business.

The Permanent Global Note will also become exchangeable, in whole but not in part only and at the option of the Issuer, for Definitive Notes if, by reason of any change in the laws of the Issuer’s taxing jurisdiction, the Issuer is or will be required to make any withholding or deduction from any payment in respect of the Notes which would not be required if the Notes were in definitive form.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Fiscal Agent within 30 days of the occurrence of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part of it) has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under a deed of covenant dated 16 June 2006 (the “**Deed of Covenant**”) executed by the Issuer in relation to the Notes). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg as being entitled to an interest in the Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or (as the case may be) Clearstream, Luxembourg.

In addition, the Permanent Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Permanent Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Temporary Global Note and the Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Note or (as the case may be) the Permanent Global Note at the Specified Office of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in

respect of the Temporary Global Note or (as the case may be) the Permanent Global Note, the Issuer shall procure that the same is noted in a schedule thereto.

Notices: Notwithstanding Condition 14 (*Notices*), while all the Notes are represented by the Permanent Global Note (or by the Permanent Global Note and/or the Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a common depositary for Euroclear and Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 14 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg.

USE OF PROCEEDS

The net proceeds from the issue of the Notes are expected to be approximately £346,850,000 after deducting the Managers' fees and commissions, less estimated offering expenses. The proceeds of the Notes will be used by the Issuer to finance a share buy-back programme (authorised by the shareholders of the Issuer at a general meeting held on 29 April 2006) (for further details see "Description of Assicurazioni Generali S.p.A. – Strategy") and for other corporate purposes.

DESCRIPTION OF ASSICURAZIONI GENERALI S. P. A.

General

Established in Trieste in 1831 as a company limited by shares (*Società per Azioni*) with a duration of 300 years, Assicurazioni Generali S.p.A. (“**Assicurazioni Generali**” or the “**Issuer**”) and its consolidated subsidiaries (together the “**Generali Group**”) is the largest insurance group in Italy and the third largest in Europe in terms of total gross premiums written. The Generali Group operates in some 40 countries worldwide through branch offices and subsidiaries. The registered address of Assicurazioni Generali is Piazza Duca degli Abruzzi 2, 34132 Trieste, Italy and the telephone number is (0039) 040 671111. Assicurazioni Generali is registered at the Companies’ Registry of the Chamber of Commerce of Trieste, Italy under registration no. 00079760328.

The corporate purpose of Assicurazioni Generali, as provided by Articles 4.1 and 4.2 of its by-laws, is to: (i) engage in and carry out the business of insurance, reinsurance and capitalisation of every kind and to operate and manage any forms of supplementary pensions, including through the creation of open funds, in Italy and abroad, or the undertaking of any other activities reserved or admitted by the law to insurance companies; and (ii) in general engage in and perform any activity and carry out any transaction that is related to, connected with or conducive to the attainment of the corporate purpose, also through the participation in Italian or foreign companies and bodies.

Assicurazioni Generali has a dual function within the Generali Group, acting as an insurer in its own right, operating through branch offices in Italy and other countries, and also acting as the parent company of the Generali Group (the “**Parent Company**”).

Since 15 April 1994, Assicurazioni Generali shares have been listed on the *Mercato Telematico Azionario*, the electronic stock market of the Italian Stock Exchange. As at 31 March 2006, Assicurazioni Generali had a market capitalisation of approximately Euro 39.7 billion.

Generali Group

As at 31 December 2005, the Generali Group fully consolidates 297 companies: 107 insurance companies, 53 financial holding companies, 66 real estate companies and 71 services companies. Assicurazioni Generali controls a further 387 non-consolidated subsidiaries and 9 subsidiaries that are consolidated on the equity basis operating in insurance business related areas, such as fund and asset management. The Generali Group undertakes a wide range of direct life and non-life insurance business, assumed reinsurance business and activities in fund and asset management and related areas.

Financial Overview

The financial information in respect of Assicurazioni Generali in this Prospectus is presented in accordance with IFRS. The audited consolidated financial statements of Assicurazioni Generali as at and for the year ended 31 December 2005 have been prepared in accordance with IFRS and the audited consolidated financial statements of Assicurazioni Generali as at and for the year ended 31 December 2004 have been restated in accordance with IFRS.

As at 31 December 2005, gross premiums written by the Generali Group, before the elimination of intra-group transactions between segments amounted to Euro 62.83 billion (as at 31 December 2004: Euro 55.7 billion; as at 31 March 2006: Euro 16.35 billion), of which Euro 45.77 billion (as at 31 December 2004: Euro 38.67 billion; as at 31 March 2006: Euro 11.9 billion) was attributable to its life insurance business and Euro 17.06 billion (as at 31 December 2004: Euro 17.03 billion; as at 31 March 2006: Euro 4.45 billion) to its non-life insurance business.

The consolidated net profit of the Generali Group for the full year 2005 was Euro 1.92 billion (as at 31 December 2004: Euro 1.67 billion; as at 31 March 2006: Euro 0.6 billion).

Total investments of the Generali Group as at 31 December 2005 amounted to Euro 307.42 billion (as at 31 December 2004: Euro 271.77 billion; as at 31 March 2006: Euro 312.97 billion), representing a 13.12 per cent. increase compared to the 2004 year end figure. Total net investment income, not at fair value, for the full year 2005 amounted to Euro 11.70 billion (for the year ended 31 December 2004: Euro 10.87 billion; for the three month period ended 31 March 2006: Euro 3.03 billion).

Net insurance provision, net of consolidated adjustments of the Generali Group as at 31 December 2005 amounted to Euro 275.14 billion (as at 31 December 2004: Euro 244.53 billion; as at 31 March 2006: Euro 280.2 billion), representing a 12.52 per cent. increase over the 2004 year end figure.

Selected Financial Information

The section “Summary Financial Information of Assicurazioni Generali S.p.A.”, included elsewhere in this Prospectus, contains consolidated balance sheet and income statement information in summary form, extracted from the audited consolidated financial statements of Assicurazioni Generali as at and for the years ended 31 December 2004 and 2005.

The following table sets out certain selected consolidated financial information of the Generali Group for the year ended 31 December 2005.

| | As at 31 December 2005 |
|--|---|
| | <i>IFRS (Audited) (in billions of Euro)</i> |
| Gross premiums | 62.68 |
| Acquisition costs and general expenses..... | 9.44 |
| Investments..... | 307.42 |
| Net investment income..... | 11.70 |
| Net insurance provisions (net of consolidated adjustments) | 275.14 |
| Capital and free reserves (group)..... | 13.95 |
| Net profit (group)..... | 1.92 |
| Loss ratio (non-life, net of consolidated adjustments) | 70.6% |
| Combined ratio (non-life, net of consolidated adjustments) | 97.9% |

Strategy

In March 2006 the Board of Directors adopted a business plan for the three-year period 2006-2008 (the “**Business Plan**”). The plan seeks to accelerate the model implemented in the previous 2003-2005 plan.

The Business Plan, building on the growth and efficiency achieved under the previous plan, sets significant new targets for further growth: a rise in non-life premiums that outperform the industry average and new business value in the life sector expanding at an average annual rate of 10 per cent. Moreover, it sets out objectives whereby the aim is to achieve the following targets at the end of the three years: a combined ratio falling to 95.5 per cent., consolidated earnings up 50 per cent. and normalised return on embedded value rising to 14.5 per cent.

The new plan envisages three pillars: growth and innovation; a single national organisational model and Generali Group-wide structures; capital optimisation.

Management expects that the tools for growth and innovation will be the Generali Group’s widespread network of agents and financial advisers, the professionalism of the Generali Group’s salesmen, leadership in some countries in direct channels (telephone, Internet), expansion in new, fast-growing markets such as China and Central and Eastern Europe, and entry into the Indian market.

Management believes that an essential factor in improving the Generali Group's efficiency will be a single, simplified operational model at national level, flanked by four key Generali Group-wide projects designed to achieve economies of scale.

As part of the new model in each country administrative services, procurement, claims management, strategic marketing and product development are centralised and shared by Generali Group companies creating a series of networks, each designed to provide its own clients with customised services, products and channels that best serve their needs.

The Generali Group-wide plans will pool capital-intensive activities such as IT, large scale activities such as asset management and treasury management, and activities that require the sharing of specialised skills, such as risk management. Management expects that the sharing of Generali Group's best practices at an international level in strategic sectors such as pricing of motor insurance and claims handling will also be extended.

Management aims to undertake measures for more efficient use of capital in order to preserve the Generali Group's financial wellbeing and credit rating and to ensure there is sufficient capacity for external growth. In particular, the following transactions have been identified:

- acquisition of a minority shareholding (14.2 per cent. of the ordinary share capital) in AMB Generali Holding AG through a voluntary cash tender offer concluded on 24 April 2006. As at the date of this Prospectus the offer has been concluded and the Generali Group holds 85.05 per cent. of AMB Generali Holding AG;
- acquisition of a minority shareholding in Generali (Schweiz) Holding through a voluntary cash tender offer began on 11 April 2006. As at the date of this Prospectus the offer has been concluded and the Generali Group holds 94.82 per cent. of Generali (Schweiz) Holding;
- squeeze out of the ordinary share capital of Generali Holding Vienna AG held outside the Generali Group. This transaction is expected to be completed by the end of September 2006;
- purchase of 10 per cent. of Migdal Insurance & Financial Holding Ltd. for a total cash consideration of approximately Euro 119 million, as a result of which the Generali Group controls approximately 70 per cent. of Migdal Insurance & Financial Holding. This transaction occurred on 15 March 2006; and
- purchase of a 45.9 per cent. stake in Central Krankenversicherung A.G. by AMB Generali Group, one of the leading players in the German health insurance sector.

In addition, the shareholders of Assicurazioni Generali have approved a share buy-back programme authorising the repurchase of approximately Euro 1.8 billion of its ordinary shares.

The above is to be financed by the issue of up to Euro 4.1 billion hybrid and subordinated debt instruments by the Generali Group, including the Notes the subject of this Prospectus.

In 2005, in China, Generali China Life moved into the market for group insurance by underwriting a large pension plan for the payment of annuities. Management believes that as a result of the one-off premium paid under this contract, Generali China Life is now a leader in premium income compared to other foreign joint ventures in China. An agreement with Industrial and Commercial Bank of China signed in Beijing in 2004 became operational for the Canton region, and distribution agreements were also entered into with other leading Chinese banks. In December 2005, a new branch in Shanghai began insurance underwriting.

In line with the Generali Group's expansion strategy in Eastern Europe, an agreement was signed in March 2006 – with the Delta Group in Serbia to acquire a majority stake in Delta Osiguranje, the country's third largest insurance company, which operates in both the life and non-life sectors.

In Italy the disposal of 100 per cent. of the share capital of UniOne Assicurazioni was completed in July 2005. Given the small size of this company, there was no significant impact on the Generali Group's business and capital structure.

With the aim of maximising the Generali Group's presence in the domestic maritime transport insurance market, at the end of December 2005 the transport portfolio of the Italian subsidiary UMS Generali Marine was concentrated in Assicurazioni Generali with effect from 1 January 2006.

In Israel, Migdal and Bear Stearns Asset Management concluded an agreement in the second half of 2005 under which Bear Stearns Asset Management acquired a 50 per cent. stake in Migdal Capital Markets, the Migdal Group's financial and investment services company. The objective of this transaction is to strengthen the Generali Group's activity in asset management, especially in the investment fund sector, given its similarity with retirement savings, in which Migdal is the market leader.

The realisation of single Generali Group-wide systems has proceeded at both a national and an international level as part of the reorganisation of the Generali Group's activities by geographical area with the aim of achieving cost savings and optimising the use of resources, especially in IT and administration. In Italy in particular, the single data processing platforms for life and non-life portfolio management went operational and the centralisation of Generali Group's administrative and operational functions has proceeded.

Generali Group Insurance Business

The Generali Group premium income, prior to reinsurance and after consolidated adjustments, amounted to Euro 62.68 billion for the year ended 31 December 2005 (Euro 55.60 billion in 2004).

Life

Life business income of the Generali Group amounted to Euro 45.77 billion in 2005, a growth of 18.36 per cent. compared to Euro 38.67 billion in 2004 and accounted for 72.85 per cent. of its overall portfolio.

The following table sets out certain selected figures for the Generali Group's life operations for the years ended 31 December 2005 and 2004.

| | For the years ended 31 December | |
|---|---|-------------|
| | 2005 | 2004 |
| | <i>IFRS</i> <i>(Audited)</i> <i>(in billions of Euro)</i> | |
| Gross premiums written | 45.77 | 38.67 |
| Net premiums written..... | 44.88 | 37.99 |
| Net income from financial instruments at fair value | 5.66 | 3.16 |
| Total income of life segment | 62.68 | 52.11 |
| Net insurance benefit and claims | 52.89 | 42.89 |
| Total expenses of life segment | 60.20 | 50.28 |
| Result of the period gross of income taxes and minorities interests | 2.47 | 1.83 |

Non-Life

Non-life business premiums of the Generali Group rose by 0.15 per cent. to Euro 17.06 billion for the year ended 31 December 2005.

The following table sets out certain selected figures for the Generali Group's non- life operations for the years ended 31 December 2005 and 2004.

| | For the years ended 31 December | |
|---|---|-------------|
| | 2005 | 2004 |
| | <i>IFRS (Audited) (in billions of Euro)</i> | |
| Gross premiums written | 17.06 | 17.03 |
| Net premiums written..... | 15.27 | 15.06 |
| Net income from financial instruments at fair value | 0.14 | 0.13 |
| Total income of non life sector | 19.59 | 18.99 |
| Total expenses of non life sector | 18.13 | 17.72 |
| Result of the period gross of income taxes and minorities interests | 1.46 | 1.27 |

Geographic Distribution

Italy

Over the course of 2005, the life insurance market in Italy expanded, with premiums growing by approximately 10 per cent. compared with 4.4 per cent. in 2004. Demand for mixed insurance policies continued, but other products, especially those with greater financial content, staged a recovery after contracting significantly in the previous year. It is generally considered that the improvement in 2005 is attributable to bancassurance (up by 15.5 per cent.) and strong demand for index-linked contracts. By contrast, there was a slowdown over the course of 2005 in business growth through the agency network and direct sales (up by 7 per cent.) and a further contraction of 15 per cent. in the contribution of the network of financial advisers.

The growth in Generali Group premiums in Italy (an increase of 16.8 per cent. during 2005 on equivalent terms) was driven by individual insurance, especially recurring single premium contracts. Premiums from new business acquired by the banking channel and the proprietary networks registered gains over the course of 2005 (39.2 per cent. and 9.8 per cent. respectively). The premiums of the network of financial advisers declined in 2005, reflecting the reorientation of business towards recurring premium products with greater insurance content, while over the same period new business in these products rose by 40.4 per cent.

The following table sets out the performance of the life business in Italy for the years as at and ended 31 December 2005 and 2004.

| | As at and ended 31 December | |
|--|--|-------------|
| | 2005 | 2004 |
| Gross direct premiums written (in millions of Euro)..... | 18,863.5 | 16,157.5 |
| Market Share (%) | 26.6 | 25.2 |
| Expense Ratio (%) | 6.4 | 7.0 |

During the course of 2005 there was a further slowdown compared to 2004 in the expansion of the non-life insurance market due to economic stagnation and the small rise in rates in the motor sector.

For the Generali Group, premiums rose by 1.4 per cent. during 2005 on equivalent terms, as business continued to be affected by the contraction in the volume of Assitalia's premiums for motor and general liability insurance as a result of portfolio restructuring and stricter underwriting policies. The other Generali Group companies registered an increase in sales over 2005 higher than 3 per cent. compared to 2004.

The following table sets out the performance of the non-life business in Italy for the years as at and ended 31 December 2005 and 2004.

| | As at and ended 31 December | |
|--|--|-------------|
| | 2005 | 2004 |
| Gross direct premiums written (in millions of Euro)..... | 5,630.7 | 5,786.6 |
| Market Share (%) | 15.6 | 16.4 |
| Loss ratio (%) | 74.5 | 76.1 |
| Expense Ratio(%) | 23.2 | 22.4 |
| Combined Ratio (%)..... | 97.7 | 98.5 |

Germany

In Germany, the expansion of the life insurance market was sustained over 2005 by the substantial contribution of the recurring premium policies underwritten towards the end of 2004, ahead of the introduction of more restrictive tax rules, and by the flow of premiums from retirement policies. Health insurance in 2005 again showed good growth and outperformed the market, albeit less than in 2004.

Generali Group's premiums rose by 8.4 per cent. in 2005 compared to 2004, an increase higher than that recorded by the market, as a result of the performance of the risk policies and of the state-supported retirement policies, a sector where the Generali Group consolidated its leadership of the market with more than a million contracts in its portfolio at the end of 2005.

The following table sets out the performance of the life business in Germany the years as at and ended 31 December 2005 and 2004.

| | As at and ended 31 December | |
|--|--|-------------|
| | 2005 | 2004 |
| Gross direct premiums written (in millions of Euro)..... | 9,813.4 | 9,052.9 |
| Market Share (%) | 9.6 | 9.4 |
| Expense Ratio (%) | 15.4 | 20.5 |

After years of modest expansion, the non-life insurance market suffered a decline in premium volume in 2005, owing to the state of the economy and more intense competition. The downtrend was sharpest in the motor and corporate risk insurance.

The Generali Group's premiums declined slightly in 2005 (by 0.6 per cent.), in line with the contraction of the market as a whole. This performance reflects the heightened competition in the motor sector, which counts heavily in the overall insurance portfolio.

| | As at and ended 31 December | |
|--|--|-------------|
| | 2005 | 2004 |
| Gross direct premiums written (in millions of Euro)..... | 2,986.5 | 3,003.0 |
| Market Share (%) | 5.4 | 5.4 |
| Loss Ratio (%) | 65.0 | 66.8 |
| Expense Ratio (%) | 32.0 | 32.6 |
| Combined Ratio (%)..... | 97.0 | 99.4 |

France

In France, performance in the life insurance market over 2005 matched the very buoyant growth of the previous year, with continuing expansion of unit-linked products, good sales of traditional contracts and a further uptrend in retirement products.

Similarly, the large increase in premiums over 2005 (13.7 per cent. on equivalent terms) came mainly from a rapid expansion in unit-linked policies, which now account for a substantial share of the portfolio of savings products. All sales channels contributed to the above-mentioned results. As in the previous years, the expense ratio continued its trend of reduction.

The following table sets out the performance of the life business in France for the years as at and ended 31 December 2005 and 2004.

| | As at and ended 31 December | |
|--|--|-------------|
| | 2005 | 2004 |
| Gross direct premiums written (in millions of Euro)..... | 9,351.6 | 8,226.2 |
| Market Share (%) | 7.6 | 7.6 |
| Expense Ratio (%) | 7.0 | 7.9 |

The development of the non-life insurance market slowed further during 2005, chiefly because of stagnation in motor insurance and in the corporate lines, owing in both cases to heightened competitive pressure. An exception was medical and accident insurance, which continued to expand mainly as a result of the demand for increased coverage as a response to the recent health service reform.

Against this background, after strong growth in 2004 the Generali Group's premiums fell slightly in 2005 (by 0.6 per cent. on equivalent terms), reflecting a reduction in premiums especially in the transport business, the restructuring of portfolios showing a loss and on the whole a focus on technical profitability.

The following table sets out the performance of the non life business in France for the years as at and ended 31 December 2005 and 2004.

| | As at and ended 31 December | |
|--|--|-------------|
| | 2005 | 2004 |
| Gross direct premiums written (in millions of Euro)..... | 3,237.1 | 3,255.8 |
| Market Share (%) | 6.7 | 6.7 |
| Loss Ratio (%) | 72.3 | 74.2 |
| Expense Ratio(%) | 26.6 | 26.0 |
| Combined Ratio (%)..... | 98.9 | 100.2 |

Spain

In Spain, the life insurance market extended its growth trend over 2005. The expansion was led by individual insurance products, where the banking channel is dominant. Agencies also made good progress in sales of both risk policies and unit-linked and index-linked products. Volumes for group retirement products grew, following a number of operations connected with corporate restructuring.

Against this backdrop, the Generali Group achieved 8.7 per cent. growth in premiums during 2005.

The following table sets out the performance of the life business in Spain for the years as at and ended 31 December 2005 and 2004.

| | As at and ended 31 December | |
|--|--|-------------|
| | 2005 | 2004 |
| Gross direct premiums written (in millions of Euro)..... | 837.8 | 771.1 |
| Market Share (%) | 4.1 | 4.1 |
| Expense Ratio(%) | 5.0 | 5.5 |

Non-life insurance market growth rate remained positive in all lines of business, but there was a further slowdown in the motor sector due to high competition.

The Generali Group's non-life premium growth in 2005 (an increase of 8.2 per cent.) was consistent in all branches, with both individual and corporate risks enjoying gains equalling the performance of the market as a whole or bettering it.

The following table sets out the performance of the non-life business in Spain for the years as at and ended 31 December 2005 and 2004.

| | As at and ended 31 December | |
|--|--|-------------|
| | 2005 | 2004 |
| Gross direct premiums written (in millions of Euro)..... | 1,340.3 | 1,238.5 |
| Market Share (%) | 4.8 | 4.7 |
| Loss Ratio (%) | 65.2 | 63.4 |
| Expense Ratio(%) | 24.9 | 25.3 |
| Combined Ratio (%)..... | 90.1 | 88.8 |

Austria

In Austria the life market accelerated, as a result of the positive showing of the capital markets (which favoured the expansion of linked products), the launch of company level supplementary policies and the good results on sales of supplementary retirement plans. There was faster growth in the health business as well.

The increase in the Generali Group's premiums in 2005 (7.4 per cent.) was mainly attributable to the success of linked policies, especially the positive reception of an index-linked pension product launched at the end of 2004. There was a sharp rise in single premium policies but income from recurring premium policies also continued to grow, especially as regards new business.

The following table sets out the performance of the life business in Austria for the years as at and ended 31 December 2005 and 2004.

| | As at and ended 31 December | |
|--|--|-------------|
| | 2005 | 2004 |
| Gross direct premiums written (in millions of Euro)..... | 767.8 | 714.9 |
| Market Share (%) | 9.5 | 9.8 |
| Expense Ratio(%) | 22.1 | 22.0 |

The non-life market grew, albeit somewhat slower than in 2004.

The Generali Group's premium income returned to at least modest growth in 2005 (an increase of 0.8 per cent.) The gain was due in part to an increase in personal and corporate insurance premiums and in part to the motor sector, which showed definite signs of improvement thanks to new tariffs. The loss ratio for 2005 worsened following floods in August, while the expense ratio, positively influenced by the processes carried out to improve the efficiency, showed a reduction equal to 1 per cent. compared to 2004.

The following table sets out the performance of the non-life business in Austria for the years as at and ended 31 December 2005 and 2004.

| | As at and ended 31 December | |
|--|--|-------------|
| | 2005 | 2004 |
| Gross direct premiums written (in millions of Euro)..... | 1,219.0 | 1,209.3 |
| Market Share (%) | 17.9 | 18.7 |
| Loss Ratio (%) | 69.3 | 68.5 |
| Expense Ratio(%) | 28.7 | 29.7 |
| Combined Ratio (%)..... | 98.1 | 98.1 |

Switzerland

In Switzerland, in the life business market-wide premium income fell over 2005, although slightly less than in the two previous years. The decline reflected the negative performance of group policies, which are the main product in the Swiss market. Individual policies showed signs of recovery.

These trends benefited the Generali Group. Its new business is orientated towards the acquisition of recurring premiums, individual unit-linked contracts, a segment in which the Generali Group consolidated its leadership. The overall increase in the premiums for 2005 came to 1.4 per cent. at equivalent exchange rates. The agency network was again the principal sales channel, followed by the networks of independent financial advisers.

The following table sets out the performance of the life business in Switzerland for the years as at and ended 31 December 2005 and 2004.

| | As at and ended 31 December | |
|--|--|-------------|
| | 2005 | 2004 |
| Gross direct premiums written (in millions of Euro)..... | 802.6 | 794.1 |
| Market Share (%) | 4.7 | 4.2 |
| Expense Ratio(%) | 21.0 | 20.2 |

The non-life insurance market grew in 2005, though more slowly than in 2004. Premium income growth was greatest in the motor sector, which benefited from a revision of rates and the increasing incidence of cars of higher value.

The Generali Group's premiums rose in 2005 by 5.8 per cent. at equivalent exchange rates, led by the motor business, which is the largest in the portfolio. The gain was the product in part of the revision of rates. The accident and health lines of the business also contributed strongly to the gain.

The following table sets out the performance of the non-life business in Switzerland for the years as at and ended 31 December 2005 and 2004.

| | As at and ended 31 December | |
|--|--|-------------|
| | 2005 | 2004 |
| Gross direct premiums written (in millions of Euro)..... | 455.1 | 431.3 |
| Market Share (%) | 3.4 | 3.3 |
| Loss Ratio (%) | 71.2 | 70.0 |
| Expense Ratio(%) | 28.1 | 30.1 |
| Combined Ratio (%)..... | 99.3 | 100.1 |

Israel

In Israel, the life insurance market over 2005 was characterised by a moderate growth following the improvement in economic conditions. There was an increase in shifts from life policies to pension funds, due in part to the reduction in the limits of deductibility of life policies providing for lump-sum payments.

The modest size of the increase for 2005 (1 per cent. at equivalent exchange rates) in Generali Group premiums reflected the termination of an important group insurance plan with death coverages showing a loss and a reduction of single premiums.

The following table sets out the performance of the life business in Israel for the years as at and ended 31 December 2005 and 2004.

| | As at and ended 31 December | |
|--|--|-------------|
| | 2005 | 2004 |
| Gross direct premiums written (in millions of Euro)..... | 830.0 | 823.1 |
| Market Share (%) | 29.8 | 32.2 |
| Expense Ratio(%) | 16.5 | 18.0 |

The non-life insurance market showed limited growth in 2005, as a consequence of strong rate competition and further cuts imposed by the supervisory authority in compulsory motor TPL insurance rates, which are semi-administered.

The Generali Group saw a decline of 2.6 per cent. over 2005 at equivalent exchange rates in premiums, owing mainly to a negative trend in the first half of the year affecting first of all the motor sector, given the market situation described, and health insurance, in which an important group contract showing a loss was not renewed.

The following table sets out the performance of the non-life business in Israel for the years as at and ended 31 December 2005 and 2004.

| | As at and ended 31 December | |
|--|--|-------------|
| | 2005 | 2004 |
| Gross direct premiums written (in millions of Euro)..... | 303.6 | 312.3 |
| Market Share (%) | 9.6 | 10.1 |
| Loss Ratio (%) | 69.7 | 68.9 |
| Expense Ratio(%) | 30.0 | 30.2 |
| Combined Ratio (%)..... | 99.7 | 99.1 |

Belgium

In Belgium, the life market registered strong growth for 2005, mainly as a result of the expansion of single premium policies. Sales of group policies remained stable.

Over 2005, the Generali Group's premiums held at the previous year's level following the exit from the Luxembourg market and the decision to focus business on recurring premium products, which showed a good growth both for group and individual policies.

The following table sets out the performance of the life business in Belgium for the years as at and ended 31 December 2005 and 2004.

| | As at and ended 31 December | |
|--|--|-------------|
| | 2005 | 2004 |
| Gross direct premiums written (in millions of Euro)..... | 379.3 | 380.5 |
| Market Share (%) | 1.5 | 1.9 |
| Expense Ratio(%) | 8.5 | 7.4 |

The non-life insurance market in Belgium slowed its growth over 2005 in the motor sector in particular, due primarily to strong competition.

In this context, the Generali Group's premiums increased by 1.5 per cent. for 2005, in part because of a more restrictive approach both to new policies and to renewals.

The following table sets out the performance of the non-life business in Belgium for the years as at and ended 31 December 2005 and 2004.

| | As at and ended 31 December | |
|--|--|-------------|
| | 2005 | 2004 |
| Gross direct premiums written (in millions of Euro)..... | 219.2 | 216.1 |
| Market Share (%) | 2.5 | 2.5 |
| Loss Ratio (%) | 65.3 | 64.2 |
| Expense Ratio(%) | 34.3 | 34.8 |
| Combined Ratio (%)..... | 99.6 | 99.0 |

Other Countries

In Central and Eastern Europe, the life market's overall expansion in 2005 reflected the rapid pace of economic growth. The 27.1 per cent. rise compared to 2004, at equivalent exchange rates, in Generali Group premiums came primarily from the progress of unit-linked products, recently launched on several markets. The 2005 growth recorded in the Czech Republic (60.7 per cent.), Poland (50.5 per cent), Slovakia (20.1 per cent.) and Hungary (11 per cent.) was most noteworthy.

The following table sets out the performance of the life business in Central and Eastern Europe for the years as at and ended 31 December 2005 and 2004.

| | As at and ended 31 December | |
|--|--|-------------|
| | 2005 | 2004 |
| Gross direct premiums written (in millions of Euro)..... | 249.8 | 188.7 |
| Expense Ratio(%) | 32.2 | 33.7 |

The total number of insurance premiums in the non-life sector in Central and Eastern Europe expanded, fuelled by the rapid rate of economic growth.

Over 2005, the Generali Group's premiums increased by 5.2 per cent. at equivalent exchange rates, as a result of good performance in motor and personal insurance. The largest contributions came from the Czech Republic and Hungary.

The following table sets out the performance of the non life business in Central and Eastern Europe for the years as at and ended 31 December 2005 and 2004.

| | As at and ended 31 December | |
|--|--|-------------|
| | 2005 | 2004 |
| Gross direct premiums written (in millions of Euro)..... | 581.5 | 528.6 |
| Loss Ratio (%) | 65.6 | 62.9 |
| Expense Ratio(%) | 29.9 | 31.0 |
| Combined Ratio (%)..... | 95.6 | 93.9 |

In China, the volume of the life business benefited from a major single premium of Euro 1,874.7 million from a contract signed by Generali China Life for the payment of annuities. Excluding that contract, premiums nearly doubled compared to 2004, with a total of Euro 63.1 million for 2005, as a result of the contribution of the banking channel which distributes traditional policies.

In Latin America, the Generali Group's life premiums amounted to Euro 310.1 million for 2005 (an increase of 31.4 per cent. on equivalent terms). In Mexico, growth was driven by major group policies. Pension funds business turned in another positive performance, despite the pressure of competition, and the permanent disability annuity sector also produced good results on new business. In Argentina, the acquisition of new group contracts and premium increases on renewals in 2005 offset the effect of the termination of certain large policies with high loss ratios.

The Generali Group's total non life premiums in Latin America amounted to Euro 434 million for 2005 (an increase of 11.7 per cent. at equivalent exchange rates). In Mexico the growth in the motor sector was affected by the sharp rise in competition in the whole market. However, there was a significant increase in health underwriting. In Argentina, in contrast, premium growth was sustained principally by the motor insurance, which benefited from an increase in the number of vehicles insured and a rise in the average premium as a consequence of marketing targeted at the high-end market segments that demand broader coverage and are less sensitive to competition.

Asset and Financial Management

Economic developments

2005 saw a year of strong growth in the world economy, although the pace eased from 4.7 per cent. in 2004 to 4.3 per cent. in 2005. World trade continued to expand rapidly and no inflationary pressures emerged despite the high price of oil and rises for other raw materials.

Financial business in Italy and Switzerland

At the end of 2005 assets managed by the Generali Group's banks and asset management companies totalled Euro 279,292.2 million (an increase of 17.1 per cent. compared to 2004). Asset management, with a focus on the management of the Generali Group companies' financial instruments, accounted for most of the Generali Group's financial activity. The largest units in this field are BSI Group and Banca Generali.

In 2005 Banca Generali more than doubled its 2004 figure for net fund-raising with a total of Euro 2,309 million. An increase in intermediation business with the exploitation of significant synergies across the Generali Group in distributing financial products, brought the total amount of assets under management at

the end of 2005 to Euro 18,290 million, up by 18.7 per cent. from 31 December 2004. Substantial gains in 2005 compared to 2004 levels were recorded in both net commissions (an increase of 14.3 per cent.) and intermediation margin (an increase of 19.3 per cent.). Banca Generali launched a plan for investment in the distribution network – which as at 31 December 2005 resulted in 2,006 financial advisers and 2,809 financial advisers in the Simgenia S.p.A. subsidiary's proprietary network, who belong to the agency networks of the Italian Generali Group companies – in order to increase both the volume of assets under management and their profitability.

During 2005, as part of the concentration of wealth management for retail customers in Banca Generali, the Generali Asset Management division responsible for running investment funds and third-party portfolio management services was incorporated into a new asset management company controlled by Banca Generali, which went fully operational at the start of 2006.

Banca BSI Italia S.p.A., currently controlled by its Swiss parent company BSI S.A., will be transferred to Banca Generali. Following the acquisition of a controlling stake, Banca Generali will transfer its private banking operations to Banca BSI Italia S.p.A.

In Switzerland, the BSI Group benefited from a positive trend in the financial markets which led to an increase in both fund-raising and earnings. Over 2005, operating revenue rose by 17.4 per cent. to Euro 345.5 million, including Euro 192.2 million in commissions, while operating costs amounted to Euro 253.1 million or 73.3 per cent. of income, up from 70.4 per cent. in 2004. BSI's net profit for 2005 came to Euro 71.2 million, a gain of 22 per cent. compared to 2004. At the end of 2005 the BSI Group had Euro 33,564.3 million in assets under management, an increase of 16.8 per cent. from 31 December 2004. The BSI Group launched a major plan to develop more competitive, higher-value-added asset management products.

Investments breakdown

The following table sets forth the Generali Group's financial segment investment breakdown as at the year-end 2005 (compared with the year-end 2004).

| | As at and ended 31 December | | | |
|---|------------------------------------|---------------|-----------------------------|---------------|
| | 2005 | | 2004 | |
| | Total book value | Impact | Total book value | Impact |
| | <i>(€ million)</i> | <i>(%)</i> | <i>(€ million)</i> | <i>(%)</i> |
| Equities ^(*) | 267.5 | 1.8 | 188.7 | 1.3 |
| Available for sale financial assets | 205.1 | | 118.7 | |
| Financial assets at fair value through profit or loss | 62.5 | | 70.1 | |
| Bonds ^(**) | 3,829.0 | 25.6 | 3,495.5 | 24.6 |
| Held to maturity investments | 19.0 | | 0.0 | |
| Loans and receivables | 29.9 | | 29.9 | |
| Available for sale financial assets | 1,781.5 | | 1,730.6 | |
| Financial assets at fair value through profit or loss | 1,998.6 | | 1,735.1 | |
| Other financial investments ^(***) | 10,842.6 | 72.6 | 10,552.3 | 74.1 |
| Land and buildings (investment properties) ^(*) | 16.9 | | 20.5 | |
| Investments in subsidiaries, associated companies and joint ventures | 88.4 | | 46.7 | |
| Derivatives | 731.3 | | 562.8 | |
| Receivables from banks or customers | 4,379.1 | | 4,087.7 | |
| Other investments | 5,627.0 | | 5,834.5 | |
| Total investments of financial segment | 14,939.2 | 100.0 | 14,236.5 | 100.0 |

(*) Investment fund units amounted to Euro 2.7 million

(**) Investment fund units amounted to Euro 254.4 million

(***) Investment fund units amounted to Euro 155.6 million

At 31 December 2005 investments of the financial segment amounted to Euro 14,939.2 million. They increased by 4.9 per cent. compared to the end of the previous year.

The following table sets forth the Generali Group's financial segment investment income breakdown as at the year-end 2005 (compared with the year-end 2004).

| | As at and ended 31 December | |
|---|--|--------------|
| | 2005 | 2004 |
| | <i>(in millions of Euro)</i> | |
| Net income from land and buildings (investment property) | 0.8 | 0.4 |
| Net income from investments in subsidiaries, associated companies and joint ventures | 12.9 | 4.7 |
| Net income from held to maturity investments | 0.0 | 0.0 |
| Net income from loans and receivables | 364.3 | 328.5 |
| Net income from available for sale financial assets..... | 85.7 | 61.3 |
| Interests and other income | 64.5 | 51.3 |
| Net realised gains | 21.2 | 10.0 |
| Impairment losses net of reversal..... | 0.0 | 0.0 |
| Total net income from financial instruments not at fair value through profit or loss | 463.7 | 395.0 |
| Interests and other net income | 47.2 | 47.9 |
| Net unrealised gains | 1.9 | 5.7 |
| Net realised gains | 60.1 | 23.6 |
| Total net income from financial instruments at fair value through profit or loss | 109.2 | 77.2 |
| Total net income from investments of financial segment | 572.9 | 472.1 |

Net income from financial instruments not at fair value through profit or loss amounted to Euro 463.7 million (an increase of 17.4 per cent.) and the main contribution (Euro 204.4 million) came from interests from mortgage loans.

Regulatory

Italian insurance companies are subject to a comprehensive regulatory scheme determined by law and supplemented by guidelines issued by the Interministerial Committee for Economic Planning (“CIPE”) and administered primarily by the *Ministero delle Attività Produttive* (the “**Ministry of Industry and Commerce**”) and the *Istituto per la Vigilanza sulle Assicurazioni Private e di Interesse Collettivo* (“ISVAP”). The most important insurance laws have recently been consolidated into the Code of Insurance (Codice delle Assicurazioni Private)(Legislative Decree No. 209/2005), with certain amendments, some of which became effective as from 1 January 2006, while others will only become effective upon the issuance by ISVAP of certain implementing regulations. The provisions of the Code of Insurance *inter alia*: (i) regulate access to insurance activities; (ii) require the maintenance of certain solvency margins, in part through a guarantee fund; (iii) determine the form of financial statements for insurance companies; and (iv) regulate the activities of insurance intermediaries. In addition, the Italian Civil Code contains certain provisions applicable to insurance contracts.

Under the regulatory scheme currently in force, with the exception of certain powers specifically reserved to the Ministry of Industry and Commerce, all control and supervisory power in respect of the insurance industry is exercised autonomously by ISVAP. ISVAP's purposes include: (i) monitoring technical, financial and asset and liability management and monitoring solvency ratios; (ii) review of financial statements; (iii) supervision of the activities of insurance brokers and agencies; (iv) advising the Ministry of Industry and Commerce on its views regarding business plans submitted by companies seeking authorisation to conduct insurance activities (upon the entry into force of the relevant provisions of the Code of Insurance, ISVAP will be directly responsible for the granting of the licence to conduct insurance activities, so will itself review

business plans submitted by companies seeking authorisation); (v) proposing disciplinary measures, including revocation of authorisations; (vi) approving restructuring plans; (vii) advising the Ministry of Industry and Commerce with respect to admission to the forced liquidation procedure for financially troubled entities; and (viii) communicating and collaborating with other EU insurance regulatory bodies. ISVAP has the power to request information from insurance companies, conduct audits of their activities and question their legal representatives, managing directors and statutory auditors and to convene shareholders', directors' and statutory auditors' meetings in order to propose measures necessary to conform the management of the insurance company to the requirements of law. In addition to the foregoing, the minutes of meetings of the boards of directors of insurance companies and the reports of their statutory auditors, must be transmitted to ISVAP within 15 and 10 days, respectively, of their adoption.

The acquisition by insurance companies of controlling interests or interests which exceed certain limits in companies other than insurance companies, must be communicated to ISVAP within 30 days. ISVAP has the power to order a reduction in such holdings if they do not satisfy conditions prescribed by law and to apply sanctions. In certain cases, ISVAP may also propose to the Ministry of Industry and Commerce the revocation of the authorisation to conduct insurance activities.

Corporate Governance Rules

To the best of Assicurazioni Generali's knowledge and belief, it is in compliance with all applicable corporate governance laws and regulations of Italy.

Board of Directors, Executive Committee, General Council

The Board of Directors of Assicurazioni Generali in office at the date of this Prospectus was appointed at an Ordinary General Meeting of Assicurazioni Generali held on 24 April 2004 for a term expiring on approval of the financial statements for the year ending 31 December 2006. The Board of Directors of Assicurazioni Generali as at the date of this Prospectus is constituted as follows:

| <u>Principal Occupation</u> | <u>Name</u> | <u>Principal activities performed by the Directors outside the Assicurazioni Generali Group</u> |
|-----------------------------|-----------------------------|--|
| Chairman | Antoine Bernheim | Member of the Board of Mediobanca and Banca Intesa S.p.A. Vice-chairman of LVMH and Bolloré Investissement. Director of BSI – Banca della Svizzera Italiana, Christian Dior S.A. Auditor of Eurazeo. |
| Vice-Chairman | Gabriele Galateri di Genola | Chairman of Mediobanca, Director of Pirelli & C. S.p.A, Ifi S.p.A., Banca Esperia S.p.A., Banca CRS S.p.A. and Accor S.A. Member of the Italian Committee for Amending the Voluntary Self-Regulatory Code of Listed Companies. |
| Managing Directors | Sergio Balbinot | Vice Chairman of Generali Espana Holding Entidades de Seguros S.A., Member of the supervisory body of Participatie Maatschappij Graafschap Holland N.V. and Director of AMB Generali Holding AG and Commerzbank AG. |

| <u>Principal Occupation</u> | <u>Name</u> | <u>Principal activities performed by the Directors outside Assicurazioni Generali Group</u> |
|---|--|---|
| | Giovanni Perissinotto | Director of Alleanza, INA Vita, Assitalia, Participatie Maatschappij Graafschap Holland N.V., BSI-Banca della Svizzera Italiana, Entidades de Seguros S.A., Pirelli, Banca Intesa. Member of the Board of Directors and the Council of Assonime, Member of the Executive Committee of ANIA and the Italian Committee for Amending the Voluntary Self-Regulatory Code of Listed Companies. |
| Directors (An asterisk marks the names of those Directors who, together with the Chairman, Vice-Chairman and, Managing Directors, form the Executive Committee) | Luigi Arturo Bianchi | Director of Benetton Group and Anima SGR |
| | Ana Patricia Botin | Chairman of Banesto, Member of the Executive Committee of Santander Central Hispano. |
| | Gerardo Brogгинi ^(*) | Vice Chairman of INA Vita, Director of UBS Securities Italia Finanziaria, Danieli & C. S.p.A. and Berco S.p.A. (Thyssen Krupp). |
| | Claudio Consolo | Member of various Italian ministerial committees entrusted with the preparation of civil and administrative law reform projects. Permanent Auditor of Autostrada Brescia-Verona-Vicenza-Padova S.p.A. |
| | Laurent Dassault | Holder of several primary offices within the Dassault Group. |
| | Diego Della Valle | Chairman and a Managing Director of Tod's S.p.A., Director of Ferrari S.p.A., Maserati S.p.A., LVMH and RCS Mediagroup S.p.A. |
| | Enzo Grilli | Member of the Board of Telecom Italia S.p.A. Cooperates with Sole 24 Ore, Corriere della Sera and <i>Financial Times</i> . |
| | Piergaetano Marchetti ^(*) | Notary Public in Milan, Editor in chief of "Rivista delle Società". Chairman of the Board of Directors of RCS Quotidiani S.p.A. Chairman of the Board of the Mediobanca Shareholders' Agreement. |
| | Klaus-Peter Müller | Chairman of the Vorstand of Commerzbank AG, Director of Parker Hannifin Co, Member of the Supervisory Board of Linde AG and of the German Financial Supervisory Authority (BaFin). |
| | Alberto Nicola Nagel ^(*) | Director of Banca Esperia. General Manager of Mediobanca – Banca di Credito Finanziario S.p.A. |
| Alessandro Ovi | Director of STMicroelectronics and Telecom Italia Media S.p.A. | |

| <u>Principal Occupation</u> | <u>Name</u> | <u>Principal activities performed by the Directors outside Assicurazioni Generali Group</u> |
|--|--|---|
| | Alessandro Pedersoli | Director of BPU Banca S.p.A., RCS Mediagroup S.p.A., Effe 2005 Finanziaria Feltrinelli S.p.A. |
| | Reinfried Pohl | Member of the Vorstand of Deutsche Vermögensberatung AG and Member of the Supervisory Board of Aachener und Muenchener Lebensversicherung AG. |
| | Vittorio Ripa di Meana | Chairman of IPSE 2000 and of the Association for the Economics of Culture and Vice Chairman of FAI (the Italian Fund for the Environment), Director of the Espresso Publishing Group, Ansa and of Saint Cecilia National Academy. Chairman of Capitalia Bank Group Shareholders' Agreement. |
| General Council (Comprising, besides the listed Members appointed by the general shareholders' meeting, the Members of the Board of Directors and the General Managers) | Giorgio Davide Adler José Ramón Álvarez Rendueles José María Amusátegui de la Cierva Francesco Maria Attaguile Raymond Barre Claude Bébéar Kenneth J. Bialkin Giacomo Costa Maurizio de Tilla Enrico Filippi Carlos Fitz-James Stuart y Màrtinez de Irujo Albert Frère Roberto Gonzales Barrera Georges Hervet Dietrich Karner Khoon Chen Kuok Stefano Micossi Franca Orsini Bonacossi Arturo Romanin Jacur Guido Schmidt-Chiari Theo Waigel Wilhelm Winterstein | |
| General Managers | Raffaele Agrusti Sergio Balbinot Fabio Buscarini Giovanni Perissinotto | |
| Deputy General Managers | Mel Carvill Claudio Cominelli Aldo Minucci Vittorio Rispoli | |

The business address of each of the Directors is Piazza Duca degli Abruzzi, 2, 34132 Trieste, Italy.

Conflicts of Interest of members of the Board of Directors

There are no conflicts of interests between any of the Directors' duties to Assicurazioni Generali and their private interests or other duties, other than (i) Gabriele Galateri di Genola who is the Chairman of the board of directors of Mediobanca – Banca di Credito Finanziario S.p.A., one of the Joint Lead Managers and (ii) Alberto Nicola Nagel who is a general manager of Mediobanca – Banca di Credito Finanziario S.p.A., one of the Joint Lead Managers.

Board of Statutory Auditors

Pursuant to Italian law, Assicurazioni Generali maintains a Board of Statutory Auditors (*Collegio Sindacale*) composed of at least three independent experts in accounting matters.

The Board of Statutory Auditors consists of three permanent and two alternate auditors, who may be re-elected. Once elected, auditors shall forfeit their assignment should situations of incompatibility arise as envisaged by the law and should they hold the office of permanent auditor in more than five Italian firms listed on Italian regulated markets. At least one third of permanent and alternate auditors are chosen from among candidates complying with the professional and competence requirements established for the office of chairman of the Board of Statutory Auditors.

The Board of Statutory Auditors in office at the date of this Prospectus was appointed at an Ordinary General Meeting of Assicurazioni Generali held on 30 April 2005 for a term expiring on approval of the financial statements for the year ending 31 December 2007. The Board of Statutory Auditors is currently made up of the following members:

| <u>Name</u> | <u>Office held</u> |
|------------------------|--------------------|
| Gianfranco Barbato | Chairman |
| Gaetano Terrin | Auditor |
| Paolo D'Agnolo | Auditor |
| Giuseppe Alessio-Vernì | Alternate Auditor |
| Paolo Bruno | Alternate Auditor |

The business address of the Statutory Auditors is Piazza Duca degli Abruzzi 2, 34132 Trieste, Italy.

Conflicts of Interest of members of the Board of Statutory Auditors

There are no conflicts of interests between any of the Statutory Auditors' duties to Assicurazioni Generali and their private interests or other duties.

Independent Auditors

The current independent auditors of Assicurazioni Generali are PricewaterhouseCoopers S.p.A. who were appointed for a term of 6 years at an Ordinary General Meeting of Assicurazioni Generali held on 29 April 2006 to audit the annual non-consolidated and consolidated financial statements of Assicurazioni Generali.

PricewaterhouseCoopers S.p.A. is registered on the special register of auditing firms held by CONSOB.

Employees

As at 31 December 2005, the Generali Group had approximately 61,561 permanent employees compared to approximately 58,354 as at 31 December 2004.

Assicurazioni Generali shares and shareholders

At the end of 2005, the share capital of Assicurazioni Generali totalled Euro 1,276,017,308, divided into an equal number of ordinary shares with a nominal value of Euro 1 each and Assicurazioni Generali held 5,658,229 treasury shares amounting to Euro 167.1 million, compared to Euro 295 million at the end of 2004.

The annual general meeting of Assicurazioni Generali, held on 29 April 2006, approved the payment of a dividend of Euro 0.54 for each outstanding share. This implies a total disbursement of Euro 688,985,753. Both the dividend per share and the total dividend payable are 25.6 per cent. higher than in the previous year.

Based on information available, as at 16 March 2006 the principal shareholders of Assicurazioni Generali were Mediobanca - Banca di Credito Finanziario S.p.A. (holding, directly and indirectly, 14.19 per cent.), Banca d'Italia (holding, directly and indirectly, 4.47 per cent.), Unicredito Italiano S.p.A. (holding, directly and indirectly, 3.56 per cent.), Capitalia S.p.A. (holding, directly and indirectly, 3.20 per cent.), Premafin Finanziaria S.p.A. (holding, directly and indirectly, 2.40 per cent.) and Carlo Tassara S.p.A. (holding, directly and indirectly, 2.20 per cent.).

Dividend and share price performance

| | 2005 | 2004 | 2003 |
|--------------------------|----------------|----------------|----------------|
| | <i>(Euro)</i> | | |
| Per share dividend | 0.54 | 0.43 | 0.33 |
| Share price | 29.49 | 24.98 | 21.13 |
| Dividend/price | 1.83 per cent. | 1.72 per cent. | 1.56 per cent. |

In 2005 Assicurazioni Generali's shareholders' funds amounted to Euro 13.95 billion (compared to Euro 11.38 billion in 2004). Minority shareholders' interest in capital and reserves totalled Euro 3.12 billion, while minority shareholders' interest in the result for 2005 amounted to Euro 0.5 billion.

Changes to Assicurazioni Generali's interest in shareholders' funds are reported in the notes to the financial statements for the year ended 31 December 2005. See "Documents Incorporated by Reference".

Litigation pending

As at the date of this Prospectus, no member of the Generali Group is involved in any or is aware of any pending or threatened litigation, arbitration or administrative proceedings that are likely, individually or in the aggregate, to have a material effect on the results of operations or financial position of any member of the Generali Group or on the Generali Group as a whole.

Recent developments

One of the aims of the Business Plan is to increase the efficiency of the Generali Group's capital. As part of the plan, in Germany, Generali concluded the voluntary public offer for the shares of minority shareholders of AMB Generali Holding. The acceptance increased Generali Group's share in AMB Generali to 85.05 per cent., exceeding the 75 per cent. threshold required to block minority shareholders. Similar transactions are underway in Switzerland and Austria, as further described under "Strategy" above.

First Quarter Results

On 10 May 2006, Assicurazioni Generali issued a press release, an extract of which is set out below, announcing detail of its unaudited consolidated financial results as at and for three months ended 31 March 2006.

"The Board of Directors of Assicurazioni Generali, chaired by Antoine Bernheim, approved the first-quarter results for the period ended March 31, 2006.

Net consolidated profit grew 34.2% to €598.1 million (Q1 05: €445.8 million). The strong profit growth was obtained thanks to the good technical results (life and non-life) and ordinary investment results, achieved as a consequence of the quality of the Group's current portfolios.

Total premiums progressed well, growing, on a like-for-like basis, by 7.6% to €17,467.8 million (Q1 05: €18,017.8 million) with good performances in both the life and non-life segments. Investment contract premiums not included in the total premiums amounted to €229.5 million.

Expense ratio improved to 14% from 14.5% at March 31, 2005.

Total investments amounted to €312,971.1 million, up 1.8% (€307,417.4 million at the end of 2005). In particular, own investments, excluding those whose risks are borne by policyholders, rose to €269,334.3 million (€266,229.9 million at the end of 2005).

Net income from investments, whose fair value has not been recognised in the profit and loss account, amounted to €3,029.6 million. The contribution of financial instruments at fair value through the profit and loss account amounted to €1,290.1 million, of which €1,195 million was the net income from assets and liabilities arising from contracts whose financial risks are borne by policyholders.

Total interest amounted to €206.6 million of which €96 million from financial debt.”

Set out below is summary financial information of Assicurazioni Generali which is derived from its unaudited consolidated financial statements as at and for the three months ended 31 March 2006. See also “Documents Incorporated by Reference.”

Balance Sheet Data – Assets and Liabilities

| | As at 31 March 2006 | As at 31 December 2005 |
|---|------------------------------------|---------------------------------------|
| | <i>(unaudited)</i> | <i>(audited)</i> |
| | <i>(in millions of Euro)</i> | |
| | <i>IAS/IFRS</i> | |
| INTANGIBLE ASSETS | 2,993.8 | 2,909.4 |
| Goodwill | 2,168.4 | 2,085.2 |
| Other intangible assets | 825.4 | 824.3 |
| TANGIBLE ASSETS | 3,430.0 | 3,425.3 |
| Land and buildings (self used) | 2,882.6 | 2,889.3 |
| Other tangible assets..... | 547.4 | 536.0 |
| AMOUNTS CEDED TO REINSURERS FROM INSURANCE | | |
| PROVISIONS | 5,263.3 | 5,249.0 |
| INVESTMENTS | 312,971.1 | 307,417.4 |
| Land and buildings (investment properties)..... | 10,329.1 | 10,235.6 |
| Investments in subsidiaries, associated companies and joint ventures | 824.5 | 802.9 |
| Held to maturity investments | 1,052.2 | 993.0 |
| Loans and receivables..... | 44,270.8 | 41,173.9 |
| Available for sale financial assets | 188,364.1 | 189,008.7 |
| Financial assets at fair value through profit or loss | 68,130.3 | 65,203.3 |
| of which financial assets where the investment risk is borne by the policyholders and related to pension funds | 43,636.8 | 41,187.5 |
| RECEIVABLES | 9,322.4 | 8,475.6 |
| Receivables arising out of direct insurance operations | 6,428.4 | 6,022.9 |
| Receivables arising out of reinsurance operations | 1,047.5 | 959.8 |
| Other receivables | 1,846.5 | 1,492.9 |
| OTHER ASSETS | 12,523.7 | 12,346.1 |
| Non-current assets or disposal groups classified as held for sale | 279.9 | 186.6 |
| Deferred acquisition costs | 1,062.9 | 1,000.5 |
| Deferred tax assets | 3,551.4 | 3,483.1 |
| Tax receivables | 1,859.5 | 1,922.9 |
| Other assets..... | 5,770.0 | 5,753.1 |
| CASH AND CASH EQUIVALENTS | 5,708.6 | 5,730.7 |
| TOTAL ASSETS | 352,212.9 | 345,553.6 |

Balance Sheet Data – Assets and Liabilities *continued*

| | As at 31 March 2006 | As at 31 December 2005 |
|---|------------------------------------|---------------------------------------|
| | <i>(unaudited)</i> | <i>(audited)</i> |
| | <i>(in millions of Euro)</i> | |
| | <i>IAS/IFRS</i> | |
| EQUITY | 18,032.9 | 17,554.2 |
| Shareholders' equity attributable to the Group | 14,347.3 | 13,947.2 |
| Share capital and reserves | 10,742.2 | 8,881.7 |
| Reserve for unrealised gains and losses on available for sale financial assets | 3,007.0 | 3,146.9 |
| Result of the period | 598.1 | 1,918.6 |
| Shareholders' equity attributable to minority interests | 3,685.6 | 3,607.0 |
| OTHER PROVISIONS | 1,574.6 | 1,610.6 |
| INSURANCE PROVISIONS | 285,462.0 | 280,390.5 |
| of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds..... | 38,017.5 | 35,481.2 |
| FINANCIAL LIABILITIES | 29,073.5 | 28,647.8 |
| Financial liabilities at fair value through profit or loss | 7,175.0 | 7,155.7 |
| of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds | 6,036.6 | 5,932.2 |
| Other financial liabilities | 21,898.5 | 21,492.1 |
| of which subordinated liabilities | 1,607.4 | 1,407.4 |
| PAYABLES | 6,904.1 | 6,571.8 |
| Payables arising out of direct insurance operations..... | 3,541.8 | 3,736.1 |
| Payables arising out of reinsurance operations | 818.9 | 688.0 |
| Other payables | 2,543.4 | 2,147.7 |
| OTHER LIABILITIES | 11,165.7 | 10,778.8 |
| Liabilities directly associated with non-current assets classified as held for sale .. | 0.0 | 0.0 |
| Deferred tax liabilities | 4,865.7 | 4,806.2 |
| Tax payables | 1,420.2 | 1,264.8 |
| Other liabilities | 4,879.8 | 4,707.8 |
| TOTAL EQUITY AND LIABILITIES | 352,212.9 | 345,553.6 |

Profit and Loss Account

| | For the three months ended | |
|---|-----------------------------------|--------------------------|
| | 31 March 2006 | 31 March 2005 |
| | <i>(unaudited)</i> | |
| | <i>(in millions of Euro)</i> | |
| | <i>IAS/IFRS</i> | |
| Net earned premiums | 15,560.0 | 16,801.1 |
| Gross earned premiums | 16,319.0 | 17,547.2 |
| Earned premiums ceded | -759.0 | -746.1 |
| Fee and commission income and income from financial service activities..... | 227.2 | 184.8 |
| Net income from financial instruments at fair value through profit or loss | 1,290.1 | 1,426.5 |
| of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds | 1,195.0 | 939.0 |
| Income from subsidiaries, associated companies and joint ventures..... | 15.5 | 30.4 |
| Income from other financial instruments and land and buildings (investment properties)..... | 3,264.3 | 3,195.4 |
| Other income | 436.2 | 494.3 |
| TOTAL INCOME | 20,793.2 | 22,132.5 |
| Net insurance benefits and claims | 16,170.2 | 17,431.6 |
| Claims paid and change in the insurance provisions | 16,566.7 | 17,806.0 |
| Reinsurers' share | -396.6 | -374.4 |
| Fee and commission expenses and expenses from financial service activities | 89.9 | 80.0 |
| Expenses from subsidiaries, associated companies and joint ventures | 16.5 | 56.0 |
| Expenses from other financial instruments and land and buildings (investment properties)..... | 436.2 | 685.2 |
| Acquisitions and administration costs | 2,426.1 | 2,446.8 |
| Other expenses | 546.5 | 589.4 |
| TOTAL EXPENSES | 19,685.4 | 21,289.0 |
| EARNINGS BEFORE TAXES | 1,107.8 | 843.5 |
| Income taxes..... | 368.4 | 299.9 |
| EARNINGS AFTER TAXES | 739.5 | 543.6 |
| RESULT OF DISCONTINUED OPERATIONS | 0.0 | 0.0 |
| CONSOLIDATED RESULT OF THE PERIOD | 739.5 | 543.6 |
| Result of the period | 598.1 | 445.8 |
| Minority interests: Result of the period | 141.4 | 97.8 |

CAPITALISATION OF ASSICURAZIONI GENERALI S.P.A.

The following table sets out the capitalisation on a consolidated basis of Assicurazioni Generali as at 31 December 2005. This information has been extracted from and should be read in conjunction with, and is qualified in its entirety by reference to, the audited consolidated financial statements of Assicurazioni Generali as at and for the year ended 31 December 2005 which are incorporated by reference herein. PricewaterhouseCoopers S.p.A. has audited such financial statements. Save as disclosed in this Prospectus (including the issue of the Notes), there has been no material change in the consolidated capitalisation of Assicurazioni Generali since 31 December 2005.

| | As at 31 December 2005 |
|---|---|
| | <i>(in millions of Euro)</i> <i>(Data from audited consolidated statements)</i> IAS/IFRS |
| Liabilities | |
| Insurance liabilities | 280,390.5 |
| Other liabilities and debts | 47,608.9 |
| Total liabilities | 327,999.4 |
| Shareholders' equity | |
| Share capital (authorised and paid-up, ordinary shares, Euro 1.00 par value)..... | 1,276.0 |
| Reserves..... | 13,867.9 |
| Retained earnings | 2,410.3 |
| Total shareholders' equity ⁽¹⁾ | 17,554.2 |
| Total capitalisation | 345,553.6 |

(1) Includes minority interests equal to €3,607 million.

**SUMMARY FINANCIAL INFORMATION OF
ASSICURAZIONI GENERALI S.P.A.**

Set out below is summary financial information of Assicurazioni Generali which is derived from the audited consolidated financial statements of Assicurazioni Generali as at and for the years ended 31 December 2005 (presented in accordance with IFRS/IAS) and 31 December 2004 (restated in accordance with IFRS/IAS) which have been audited by PricewaterhouseCoopers S.p.A.. Such financial statements, together with the audit reports of PricewaterhouseCoopers S.p.A. and the accompanying notes, are incorporated by reference into this Prospectus. The financial information below should be read in conjunction with, and is qualified in its entirety by reference to, such financial statements, reports and the notes thereto. See also “Documents Incorporated by Reference”.

**ANNUAL CONSOLIDATED BALANCE SHEETS OF
ASSICURAZIONI GENERALI S.p.A.**

| | As at 31 December | |
|--|---|------------------|
| | 2005 | 2004 |
| | <i>(Data from audited financial statements)</i> | |
| | <i>Restated to</i> | |
| | <i>IFRS</i> | <i>IFRS</i> |
| | <i>(in millions of Euro)</i> | |
| INTANGIBLE ASSETS | 2,909.4 | 2,905.7 |
| Goodwill | 2,085.2 | 2,080.9 |
| Other intangible assets | 824.3 | 824.8 |
| TANGIBLE ASSETS | 3,425.3 | 3,496.7 |
| Land and buildings (self used) | 2,889.3 | 2,872.0 |
| Other tangible assets..... | 536.0 | 624.7 |
| AMOUNTS CEDED TO REINSURERS FROM INSURANCE | | |
| PROVISIONS | 5,249.0 | 5,034.2 |
| INVESTMENTS | 307,417.4 | 271,774.6 |
| Land and buildings (investment properties)..... | 10,235.6 | 10,322.9 |
| Investments in subsidiaries, associated companies and joint ventures | 802.9 | 840.5 |
| Held to maturity investments | 993.0 | 668.4 |
| Loans and receivables..... | 41,173.9 | 38,434.1 |
| Available for sale financial assets | 189,008.7 | 166,529.2 |
| Financial assets at fair value through profit or loss | 65,203.3 | 54,979.5 |
| of which financial assets where the investment risk is borne by the policyholders and related to pension funds | 41,187.5 | 34,791.4 |
| RECEIVABLES | 8,475.6 | 8,833.6 |
| Receivables arising out of direct insurance operations | 6,022.9 | 5,916.6 |
| Receivables arising out of reinsurance operations | 959.8 | 1,019.6 |
| Other receivables | 1,492.9 | 1,897.4 |
| OTHER ASSETS | 12,346.1 | 11,432.7 |
| Non-current assets or disposal groups classified as held for sale | 186.6 | 0.0 |
| Deferred acquisition costs | 1,000.5 | 751.7 |
| Deferred tax assets | 3,483.1 | 3,349.8 |
| Tax receivables | 1,922.9 | 2,204.9 |
| Other assets..... | 5,753.1 | 5,126.3 |
| CASH AND CASH EQUIVALENTS | 5,730.7 | 6,868.8 |
| TOTAL ASSETS | 345,553.6 | 310,346.3 |

**ANNUAL CONSOLIDATED BALANCE SHEETS OF
ASSICURAZIONI GENERALI S.p.A.**

| | As at 31 December | |
|--|---|------------------|
| | 2005 | 2004 |
| | <i>(Data from audited financial statements)</i> | |
| | <i>Restated to</i> | |
| | <i>IFRS</i> | <i>IFRS</i> |
| | <i>(in millions of Euro)</i> | |
| EQUITY | 17,554.2 | 14,575.4 |
| Shareholders' equity | 13,947.2 | 11,385.0 |
| Share capital | 1,276.0 | 1,276.0 |
| Other equity instruments | 0.0 | 0.0 |
| Capital reserve | 4,562.7 | 4,562.3 |
| Revenue reserve and other reserves | 3,115.9 | 2,078.2 |
| (Own shares)..... | -167.1 | -295.0 |
| Reserve for currency translation differences | 94.2 | -40.3 |
| Reserve for unrealised gains and losses on available for sale financial assets .. | 3,146.9 | 2,138.0 |
| Reserve for other unrealised gains and losses through equity | 0.0 | 0.0 |
| Result of the period | 1,918.6 | 1,665.8 |
| Minority interests | 3,607.0 | 3,190.4 |
| Minority interests: Share capital and reserves | 2,623.6 | 2,340.1 |
| Minority interests: Reserve for unrealised gains and losses through equity | 491.8 | 405.5 |
| Minority interests: Result of the period | 491.7 | 444.8 |
| OTHER PROVISIONS | 1,610.6 | 1,342.4 |
| INSURANCE PROVISIONS | 280,390.5 | 249,561.6 |
| of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds..... | 35,481.2 | 29,007.1 |
| FINANCIAL LIABILITIES | 28,647.8 | 28,746.9 |
| Financial liabilities at fair value through profit or loss | 7,155.7 | 8,571.4 |
| of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds | 5,932.2 | 5,624.9 |
| Other financial liabilities | 21,492.1 | 20,175.5 |
| of which subordinated liabilities | 1,407.4 | 1,428.6 |
| PAYABLES | 6,571.8 | 6,685.0 |
| Payable arising out of direct insurance operations | 3,736.1 | 3,844.1 |
| Payables arising out of reinsurance operations | 688.0 | 585.6 |
| Other payables | 2,147.7 | 2,255.3 |
| OTHER LIABILITIES | 10,778.8 | 9,435.0 |
| Liabilities directly associated with non-current assets classified as held for sale | 0.0 | 0.0 |
| Deferred tax liabilities | 4,806.2 | 4,509.9 |
| Tax payables | 1,264.8 | 727.0 |
| Other liabilities | 4,707.8 | 4,198.1 |
| TOTAL EQUITY AND LIABILITIES | 345,553.6 | 310,346.3 |

**ANNUAL CONSOLIDATED PROFIT AND LOSS ACCOUNTS OF
ASSICURAZIONI GENERALI S.p.A.**

| | As at 31 December | |
|---|---|-----------------|
| | 2005 | 2004 |
| | <i>(Data from audited financial statements)</i> | |
| | <i>Restated to</i> | |
| | <i>IFRS</i> | <i>IFRS</i> |
| | <i>(in millions of Euro)</i> | |
| Earned premiums | 60,082.4 | 53,049.9 |
| Gross earned premiums | 62,678.3 | 55,604.8 |
| Earned premiums ceded | -2,595.9 | -2,554.9 |
| Fee and commission income and income from financial services activities | 753.6 | 691.0 |
| Net income from financial instruments at fair value through profit or loss | 5,903.4 | 3,371.3 |
| of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds | 3,998.0 | 1,655.8 |
| Income from subsidiaries, associated companies and joint ventures..... | 88.8 | 106.8 |
| Income from other financial instruments and land and buildings (investment properties) | 13,262.3 | 12,332.1 |
| Interests..... | 8,359.6 | 7,978.6 |
| Other income | 1,898.3 | 1,767.8 |
| Realised gains..... | 2,893.7 | 2,415.4 |
| Unrealised gains and reversal of impairment losses | 110.7 | 170.3 |
| Other income | 1,628.8 | 1,536.9 |
| TOTAL INCOME | 81,719.2 | 71,088.0 |
| Net insurance benefits and claims | 63,563.4 | 53,718.5 |
| Claims paid and change in the insurance provisions | 65,281.7 | 55,057.8 |
| Reinsurers' share | -1,718.4 | -1,339.3 |
| Fee and commission expenses and expenses from financial services activities | 319.6 | 290.9 |
| Expenses from subsidiaries, associated companies and joint ventures | 169.0 | 64.2 |
| Expenses from other financial instruments and land and buildings (investment properties) | 2,245.3 | 2,315.7 |
| Interest expenses..... | 767.8 | 807.8 |
| Other expenses | 290.9 | 335.8 |
| Realised losses | 715.2 | 513.1 |
| Unrealised losses and impairment losses | 471.4 | 659.0 |
| Acquisition and administration costs | 9,441.0 | 9,578.1 |
| Commissions and other acquisition costs | 6,379.5 | 6,612.1 |
| Investment management expenses | 458.5 | 472.0 |
| Other administration costs | 2,603.0 | 2,494.0 |
| Other expenses | 2,433.8 | 2,025.5 |
| TOTAL EXPENSES | 78,172.1 | 67,992.8 |
| EARNINGS BEFORE TAXES | 3,547.1 | 3,095.2 |
| Income taxes | 1,136.9 | 984.5 |
| EARNINGS AFTER TAXES | 2,410.3 | 2,110.7 |
| RESULT OF DISCONTINUED OPERATIONS | 0.0 | 0.0 |
| CONSOLIDATED RESULT OF THE PERIOD | 2,410.3 | 2,110.7 |
| Result of the period | 1,918.6 | 1,665.8 |
| Minority interests: Result of the period | 491.7 | 444.8 |
| EARNING PER SHARE: | | |
| Earning per share (in euro)..... | 1.51 | 1.31 |
| Diluted earning per share (in euro) | 1.51 | 1.31 |

TAXATION

The following is a general summary of certain tax consequences in Italy of acquiring, holding and disposing of Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to the decision to purchase, own or dispose of Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of Notes, some of which may be subject to special rules. This summary is based upon tax laws and/or practice in force as at the date of this Prospectus, which are subject to any changes in law and/or practice occurring after such date, which could be made on a retroactive basis. The Issuer will not update this summary to reflect changes in law and, if any such change occurs, the information in this summary could be superseded.

Prospective purchasers of Notes should consult their tax advisers as to the overall tax consequences of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

1. ITALY

Tax Treatment of the Notes

Pursuant to Legislative Decree No. 239 of April 1, 1996 (“**Decree No. 239**”), as amended and restated, and pursuant to Article 44, paragraph 2(c) of Decree No. 917, in general, interest and other proceeds (including the difference between the redemption amount and the issue price) in respect of notes that qualify as “bonds” or “debentures similar to bonds” (“*obbligazioni*” or “*titoli similari alle obbligazioni*”) for Italian tax purposes and are issued by Italian banks or listed companies (*i.e.*, the so called “*Grandi Emittenti*”) may be subject to an Italian substitute tax (*imposta sostitutiva*) depending on the legal status of the beneficial owner of such interest and other proceeds. Both (i) “bonds”, which are the securities qualifying as “*obbligazioni*” pursuant to Art. 2410-et seq. of the Italian Civil Code, and (ii) other securities (defined as “debentures similar to bonds” by Art. 44(2)(c) of Decree No. 917), which incorporate an unconditional obligation to pay, at maturity, an amount not less than their nominal value and that do not give any right to directly or indirectly participate in the management of the relevant issuer or of the business in relation to which they are issued, are included in the category of “bonds and debentures similar to bonds” referred to in Decree No. 239, subject to the above regime. The Italian tax authorities have clarified (Revenue Agency Circular No. 4/E of January 18, 2006) that bonds may have a maturity which is not scheduled at a specific date, but it is linked to the maturity of the issuing company or to the liquidation thereof, if the company has been set-up with an undetermined maturity pursuant to Article 2328 (2), No. 13, of the Italian Civil Code.

Italian Resident Noteholders—Applicability of the Imposta Sostitutiva

In particular, pursuant to Decree No. 239, as amended and restated, payments of interest and other proceeds (including the original issue discount) in respect of the Notes to Italian resident beneficial owners (either when interest and other proceeds are paid or when payment thereof is obtained by a beneficial owner on a transfer of the Notes) will be subject to final *imposta sostitutiva* (substitute tax) at a 12.5 per cent rate in the Republic of Italy if made to Italian resident beneficial owners that are: (i) private individuals holding Notes not in connection with an entrepreneurial activity (unless they have entrusted the management of their financial assets, including the Notes, to an Italian authorized financial intermediary and have opted for the *Risparmio Gestito* regime provided for by Article 7 of Legislative Decree No. 461 of November 21, 1997, the “**Asset Management Option**”), (ii) partnerships (other than *società in nome collettivo*, *società in accomandita semplice* or similar partnerships), *de facto* partnerships not carrying out commercial activities and professional associations, (iii) public and private entities, other than companies, not carrying out commercial activities as their exclusive or principal activity, or (iv) entities exempt from corporate income tax. Based on Article 9(a)(iv) of the “Terms and Conditions” of the Notes, the above *imposta sostitutiva* would not give rise to any obligation of the Issuer to pay additional amounts.

In case the Notes are held by an individual or by an entity indicated above under (iii), in either case in connection with an entrepreneurial activity, interest and other proceeds relating to the Notes will be subject to the *imposta sostitutiva* and will be included in the relevant beneficial owner’s income tax return. As a

consequence, the interest and other proceeds will be subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

The 12.5 per cent *imposta sostitutiva* will be applied by the Italian resident qualified financial intermediaries provided by law (including banks, *società di intermediazione mobiliare* (or SIMs), fiduciary companies, *società di gestione del risparmio* (or SGRs), stock brokers and other qualified entities expressly indicated in Ministerial Decrees, as well as permanent establishments in the Republic of Italy of banks or intermediaries resident outside the Republic of Italy—collectively referred to as “**Intermediaries**” and each as an “**Intermediary**”) that will intervene, in any way, in the collection of interest and other proceeds on the Notes or, also as transferee, in the transfer of the Notes. If the Notes are not deposited with any qualified Intermediary, *imposta sostitutiva* will be applied and withheld by any Italian Intermediary (including a permanent establishment in Italy of a foreign entity) paying interest to a beneficial owner.

If interest and other proceeds on the Notes are not collected through the intervention of an Italian resident intermediary and as such no *imposta sostitutiva* is levied, the Italian resident beneficial owners listed above under (i) to (iv) will be required to include interest and other proceeds in their annual income tax return and subject them to final substitute tax at a rate of 12.5 per cent, unless an option is allowed and made for a different regime.

Italian Resident Noteholders—Imposta Sostitutiva Not Applicable

Pursuant to Decree No. 239, as amended and restated, payments of interest and other proceeds (including the original issue discount) in respect of the Notes to Italian resident beneficial owners will not be subject to the *imposta sostitutiva* at the rate of 12.5 per cent if made to beneficial owners that are: (i) Italian resident individuals holding Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an Italian authorized financial intermediary and have opted for the Asset Management Option, (ii) Italian resident collective investment funds and SICAVs and pension funds referred to in Legislative Decree No. 124 of April 21, 1993, (iii) Italian resident real estate investment funds, (iv) Italian resident corporations or permanent establishments in the Republic of Italy of non-resident corporations to which the Notes are effectively connected, (v) Italian resident partnerships qualified as *società in nome collettivo* or *società in accomandita semplice* and other similar partnerships, even *de facto*, carrying out a commercial activity, or (vi) public and private entities, other than companies, carrying out commercial activities and holding Notes in connection with the same commercial activities.

If the Notes are part of an investment portfolio managed on a discretionary basis by an Italian authorised intermediary and the beneficial owner of the Notes has opted for the Asset Management Option, annual substitute tax at a rate of 12.5 per cent (the “**Asset Management Tax**”) applies on the increase in value of the managed assets accrued, even if not realized, at the end of each tax year (which increase includes interest, premium and other proceeds accrued on Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Italian resident collective investment funds and SICAVs are generally subject to a 12.5 per cent annual substitute tax (the “**Collective Investment Fund Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase includes interest and other proceeds accrued on Notes).

Italian resident pension funds subject to the regime provided by Articles 14, 14 *ter* and 14 *quater*, paragraph 1, of Italian Legislative Decree No. 124 of April 21, 1993, are subject to an 11% annual substitute tax (the “**Pension Fund Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase includes interest and other proceeds accrued on Notes).

Pursuant to Law Decree No. 351 of September 25, 2001, converted into law with amendments by Law No. 410 of November 23, 2001 (“**Decree No. 351**”), Italian resident real estate investment funds established starting from September 26, 2001 pursuant to Article 37 of the Italian Finance Act and Article 14 bis of Law No. 86 of January 25, 1994, or in any case subject to the tax treatment provided for by Decree No. 351 as a consequence of an election for application of such treatment having been promptly made by the managing company, are not subject to any taxation at the fund level on payments under the Notes.

Interest and other proceeds on the Notes accrued to (a) Italian resident corporations or to permanent establishments in the Republic of Italy of foreign companies to which the Notes are effectively connected, (b) to Italian resident partnerships qualified as *società in nome collettivo* or *società in accomandita semplice* or similar partnerships carrying out a commercial activity; and (c) to Italian resident public and private entities, carrying out commercial activities and holding the Notes in connection with the same commercial activities, generally will be included in the taxable business income for income tax purposes (and, in certain cases, depending on the status of the Noteholder, may also be included in the taxable net value of production for purposes of regional tax on productive activities, IRAP) of such beneficial owners, subject to tax in the Republic of Italy in accordance with ordinary tax rules.

To ensure payment of interest and other proceeds in respect of the Notes without application of the *imposta sostitutiva*, where allowed, investors indicated herein under (i) to (vi) above must be the beneficial owners of payments of interest and other proceeds on the Notes and must timely deposit the Notes, together with the coupons relating to such Notes, directly or indirectly, with an Italian authorised financial intermediary (including non-resident entities and companies that participate in a centralised management system of securities and hold a direct relationship with the Ministry of Economy and Finances—Revenues Agency).

Non-Italian Resident Noteholders

Pursuant to Decree No. 239 payments of interest and other proceeds in respect of the Notes will not be subject to the *imposta sostitutiva* if made to non-Italian resident beneficial owners of the Notes with no permanent establishment in the Republic of Italy to which the Notes are effectively connected, provided that:

- (a) they are resident in a country which allows an adequate exchange of information. With reference to this condition, according to Ministerial Decree of December 12, 2001, the current list of the countries allowing an adequate exchange of information is that contained in the Ministerial Decree of September 4, 1996, as subsequently amended and supplemented. The exemption from the *imposta sostitutiva* also applies to (i) non resident “institutional investors” (i.e., entities whose activity consists in making or managing investments on their own behalf or on behalf of other persons, as defined by the Revenue Agency Circular No. 23/E of March 1, 2002), even if they are not treated as taxpayers in their country of residence, but provided that they are located in a country which allows an adequate exchange of information (and subject to certain other conditions mentioned in Circular No. 23/E, quoted, and in Revenue Agency Circular No. 20/E of March 27, 2003, (ii) international organisations created pursuant to international treaties that are effective in the Republic of Italy, and (iii) central banks or entities managing also the official reserves of the State;
- (b) the Notes are deposited directly or indirectly: (i) with a bank or an Italian securities dealing firm (“SIM”) resident in the Republic of Italy, (ii) with the Italian permanent establishment of a non-resident bank or brokerage company which is electronically connected with the Italian Ministry of Economy and Finance, or (iii) with a non-resident entity or company which has an account with a centralised clearance and settlement system (such as Euroclear or Clearstream, Luxembourg) which has a direct relationship with the Italian Ministry of Economy and Finances; or (iv) with a centralised managing company of financial instruments, authorised in accordance with Article 80 of the Italian Finance Act;
- (c) the banks or brokers mentioned in (b) above receive a self-declaration from the beneficial owner of the interest which states that the beneficial owner is a resident of that country. The self-declaration, which must be in conformity with the model approved by the Ministry of Economy and Finances (approved by Decree of the Ministry of Economy and Finances of December 12, 2001, published in the Ordinary Supplement No. 287 to the Official Gazette No. 301 of December 29, 2001), is valid until revoked by the investor and does not have to be filed if an equivalent self-declaration (including Form 116/IMP) has been submitted to the same intermediary for the same or different purposes; in the case of institutional investors not subject to tax, the institutional investor shall be regarded as the beneficial owner and the relevant self-declaration shall be produced by the management company; and

- (d) the banks or brokers mentioned in (b) and (c) above receive all necessary information to identify the non-resident beneficial owner of the deposited debt securities, and all necessary information in order to determine the amount of interest that such beneficial owner is entitled to receive.

Non-resident holders are subject to *imposta sostitutiva* at the rate of 12.5 per cent on interest and other proceeds on the Notes if any of the above conditions (a), (b), (c) or (d) are not satisfied.

Early Redemption

Without prejudice to the above provisions, in the event that the Notes are redeemed, in full or in part, prior to eighteen months from their date of issue, the Issuer will be required to pay an additional amount equal to 20% of the interest, premium and other proceeds accrued up to the time of the early redemption. Where Italian withholding agents intervene in the collection of interest on the Notes or in their redemption, this additional amount may be levied by such withholding agents by way of withholding. In accordance with one interpretation of Italian fiscal law, the above 20% additional amount may be due also in the event of purchase of Notes by the Issuer with subsequent cancellation thereof prior to eighteen months from the date of issue.

Capital Gains Tax

Capital Gains Realised by Italian Resident Noteholders

Any capital gain realised upon the sale for consideration or redemption of the Notes would be treated as part of the taxable business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to tax in the Republic of Italy according to the relevant tax provisions, if realised by Noteholders that are:

- Italian resident corporations;
- Italian resident partnerships qualified as *società in nome collettivo* or *società in accomandita semplice* and other similar partnerships, even de facto, carrying on a commercial activity;
- permanent establishments in the Republic of Italy of foreign corporations to which the Notes, are effectively connected;
- Italian resident individuals carrying out a commercial activity, as to any capital gains realized within the scope of the commercial activity carried out; or
- public or private entities, other than companies, carrying out commercial activities, holding Notes in connection with the same commercial activities.

Pursuant to Legislative Decree No. 461 of November 21, 1997, any capital gain realised by Italian resident individuals holding Notes not in connection with an entrepreneurial activity and certain other persons upon sale for consideration or redemption of the Notes would be subject to an *imposta sostitutiva* at the current rate of 12.5 per cent. Under the tax return regime, which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity, *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any relevant incurred capital loss, realised by Italian resident individual holders of Notes holding Notes not in connection with an entrepreneurial activity pursuant to all disposals of Notes carried out during any given fiscal year. Italian resident individuals holding Notes not in connection with entrepreneurial activity must report overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return to be filed for such year and pay *imposta sostitutiva* on such gains together with any income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind realised in any of the four succeeding tax years.

As an alternative to the tax return regime, Italian resident individual Noteholders holding the Notes not in connection with entrepreneurial activity may elect to pay a 12.5 per cent *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *Risparmio Amministrato* regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs

or certain authorised financial intermediaries; and (ii) an express election for the *Risparmio Amministrato* regime being timely made in writing by the relevant Noteholder. Under the *Risparmio Amministrato* regime, the financial intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised at revocation of its mandate), net of any relevant incurred capital loss, and is required to pay the relevant amount to the Italian fiscal authorities on behalf of the taxpayer, by deducting a corresponding amount from proceeds to be credited to the Noteholder.

Under the *Risparmio Amministrato* regime, where a sale or redemption of the Notes results in capital loss, such loss may be deducted from capital gains of the same kind subsequently realised within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under the *Risparmio Amministrato* regime, the Noteholder is not required to declare capital gains in its annual tax declaration and remains anonymous.

Any capital gains accrued on Notes held not in connection with entrepreneurial activity by Italian resident individuals who have elected for the Asset Management Option will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to the Asset Management Tax to be applied on behalf of the taxpayer by the managing authorised intermediary. Under the Asset Management Option, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the Asset Management Option, the Noteholder is not required to report capital gains realised in its annual tax declaration and remains anonymous.

In the case of Notes held by Italian resident collective investment funds or SICAVs, capital gains on Notes will be included in the computation of the taxable basis of the Collective Investment Fund Tax.

In the case of Notes held by Italian resident pension funds subject to the regime provided by Articles 14, 14 *ter* and 14 *quater*, paragraph 1, of Legislative Decree No. 124 of April 21, 1993, capital gains on Notes will be included in the computation of the taxable basis of the Pension Fund Tax.

Capital Gains Realised by Non-Italian Resident Noteholders

Capital gains realised by beneficial owners who are not resident in the Republic of Italy for tax purposes from the sale or redemption of the Notes are not subject to Italian taxation, provided that the Notes are held outside the Republic of Italy.

However, pursuant Legislative Decree No. 259 of July 21, 1999, any capital gains realised by non-Italian residents without a permanent establishment in the Republic of Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt for taxation in the Republic of Italy to the extent that the Notes are listed on a regulated market in the Republic of Italy or abroad (including the Luxembourg Stock Exchange) and in certain cases subject to timely filing of documentation stating that the holder is not resident in the Republic of Italy, even if the Notes are held in the Republic of Italy and regardless of the provisions set forth by any applicable double tax treaty.

Italian Inheritance and Gift Tax

According to Law No. 383 of October 18, 2001 (“**Law No. 383**”), Italian inheritance and gift tax, previously generally payable on transfer of securities on death or by gift, was abolished as of October 25, 2001.

However, according to the current literal interpretation of Law No. 383, for donees other than spouses, direct descendants or ancestors and other relatives within the fourth degree, if and to the extent that the value of the gift to any of such donees exceeds €180,759.91, the gift of Notes may be subject to the ordinary transfer taxes that would apply if the Notes had been transferred for consideration. In this respect, the Italian Tax authorities have expressed the view that the transfer tax described in paragraph—Transfer Tax—below (*tassa sui contratti di borsa*) should not be considered as a “transfer tax ordinarily applicable” to transfers for consideration.

Moreover, an anti-avoidance rule is provided by Law No. 383 for any gift of assets (such as Notes) which, if sold for consideration, would give rise to capital gains subject to Italian *imposta sostitutiva* on capital gains. In particular, if the donee sells Notes for consideration within five years from the receipt thereof as a gift, the donee will be required to pay the relevant Italian *imposta sostitutiva* on capital gains, where applicable, as if the gift had never taken place.

Transfer Tax

Italian Legislative Decree No. 435 of November 21, 1997 (“**Decree No. 435**”), which partly amended the regime set forth by Royal Decree No. 3278 of December 30, 1923, governs the application of Italian transfer tax on the transfer of securities (so-called *tassa sui contratti di borsa*), with Italian transfer tax being in general applicable as follows in relation to transfers of Notes executed in the Republic of Italy:

- (i) €0.0083 for every €51.65 (or fraction thereof) of the price at which the Notes are transferred, when the transfer is effected between private subjects directly or through an intermediary other than a bank or other authorised intermediaries governed by Legislative Decree No. 451 of July 23, 1996, as superseded by the Italian Finance Act, or stockbroker (the “**Qualified Intermediaries**”);
- (ii) €0.00465 for every €51.65 (or fraction thereof) of the price at which the Notes are transferred, when the transfer is effected (a) between private subjects and Qualified Intermediaries, or (b) between private subjects through Qualified Intermediaries; and
- (iii) €0.00465 for every €51.65 (or fraction thereof) of the price at which the Notes are transferred, when the transfer is effected between Qualified Intermediaries.

However, in the cases indicated above under (ii) and (iii), the amount of applicable transfer tax may not exceed €929.62 for each transaction.

The transfer tax does not apply, *inter alia*, to: (i) contracts entered into on regulated markets (e.g. the Luxembourg Stock Exchange) relating to the transfer of securities, including contracts between the intermediary and its principal or between Qualified Intermediaries, or (ii) off-market transactions regarding securities listed on regulated markets, provided that the contracts are entered into: (a) between Qualified Intermediaries, (b) between Qualified Intermediaries, on the one hand, and non-Italian residents, on the other hand, or (c) between Qualified Intermediaries, even if non-resident in the Republic of Italy, on the one hand, and undertakings for collective investment of saving income, on the other hand; (iii) contracts related to sales of securities occurring in the context of a public sale offering (*offerta pubblica di vendita*) aimed at a listing on regulated markets, or involving financial instruments already listed on regulated markets; and (iv) contracts regarding securities not listed on a regulated market entered into between Qualified Intermediaries, on the one hand, and non-Italian residents, on the other hand.

For transfer tax purposes, transfers of securities to or by Italian residents are presumed to be executed in the Republic of Italy. Moreover, contracts for the transfer of Notes executed outside the Republic of Italy between non-Italian residents will have legal effect (*efficacia giuridica*) in the Republic of Italy to the extent that transfer tax is paid.

2. EUROPEAN WITHHOLDING TAX DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident of that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. A number of non-EU countries and territories, including, *inter alia*, Switzerland, have agreed to adopt similar measures (which will be a withholding system in the case of Switzerland) with effect from the same date.

Implementation in Italy of the EU Savings Directive

The Republic of Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April 2005 (“*Decrete No. 84*”). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid starting from 1 July 2005 to individuals who qualify as beneficial owners of the interest payment and are resident for tax purposes in another EU member state, Italian qualified paying agents shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

SUBSCRIPTION AND SALE

HSBC Bank plc, J.P. Morgan Securities Ltd. and Mediobanca - Banca di Credito Finanziario S.p.A. (together the “**Joint Lead Managers**”) and Banca Caboto S.p.A., Banca Generali S.p.A., CALYON and Commerzbank Aktiengesellschaft (together with the Joint Lead Managers, the “**Managers**”) have, in a subscription agreement dated 14 June 2006 (the “**Subscription Agreement**”) and made between the Issuer and the Joint Lead Managers, on behalf of the Managers, upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe for the Notes at their issue price of 100 per cent. of their principal amount, less commissions of 0.90 per cent. of their principal amount. The Issuer has also agreed to reimburse the Joint Lead Managers for certain of the expenses incurred in connection with the management of the issue of the Notes. The Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any Notes in Italy in a solicitation to the public and that sales of the Notes by such Manager in Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Each of the Managers has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of the Prospectus or any other document relating to the Notes in Italy except:

- (i) to “**Professional Investors**”, as defined in Article 31, paragraph 2 of CONSOB Regulation No. 11522 of 1 July 1998, as amended (“**Regulation No. 11522**”), pursuant to Article 30, paragraph 2 and Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (“**Decree No. 58**”); or
- (ii) in any other circumstances where an express exemption from compliance with the solicitation restrictions provided under Decree No. 58 or CONSOB Regulation No. 11971 of 14 May 1999, as amended, applies.

Any such offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended (“**Decree No. 385**”), Decree No. 58, Regulation No. 11522 and any other applicable laws and regulations;
- (b) in compliance with Article 129 of Decree No. 385 and the implementing instructions of the Bank of Italy, pursuant to which the issue, trading or placement of securities in Italy is subject to prior notification to the Bank of Italy, unless an exemption applies, depending, *inter alia*, on the aggregate amount and the characteristics of the Notes issued or offered in Italy; and
- (c) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

General

Each Manager has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any other offering material relating to the Notes. Persons into whose hands this Prospectus comes are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

GENERAL INFORMATION

Authorisations

The creation and the issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 10 May 2006.

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for the Notes are as follows:

ISIN: XS0257010206

Common Code: 025701020

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Litigation

Save as disclosed in this Prospectus, there are no governmental, legal or arbitration proceedings against or affecting the Issuer, its subsidiaries or any of their respective assets, nor is the Issuer aware of any pending or threatened proceedings of such kind during the 12 months before the date of this Prospectus, which may have, or had in the recent past, significant effects on the Issuer's or the Generali Group's financial position or profitability or which are or might be material in the context of the issue of the Notes.

No significant change

Save as otherwise disclosed in this Prospectus and since the last day of the financial period in respect of which the most recent audited financial statements of the Issuer have been prepared, there has been no significant change, or any development reasonably likely to involve a significant change, in the condition (financial or otherwise), trading position or general affairs of the Issuer or any of its Subsidiaries.

Material adverse change

There has been no material adverse change in the prospects of the Issuer or the Generali Group since 31 December 2005.

Trend information

Save as disclosed in this Prospectus, the Issuer is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for the current financial year since 31 December 2005, the date of the last published audited financial statements of the Issuer.

Material contracts

There are no material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any Generali Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to security holders in respect of the securities being issued.

Change in control

There are no arrangements known to the Issuer the operation of which may result in a change of control of the Issuer other than as described herein.

Documents available for inspection

For so long as the Notes are outstanding, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the specified office of the Paying Agent, namely:

- (a) the Agency Agreement;
- (b) the Deed of Covenant;
- (c) the Subscription Agreement; and
- (d) the by-laws of the Issuer.

Documents available

For so long as the Notes are outstanding, copies and, where appropriate, English translations of the following documents may be obtained during normal business hours at the specified office of each Paying Agent, namely:

- (a) a copy of this Prospectus (including any supplement to this Prospectus);
- (b) the audited consolidated annual financial statements of the Issuer as at and for the years ended 31 December 2004 and 2005; and
- (c) the unaudited consolidated interim financial statements of the Issuer as at and for the three months ended 31 March 2005 and 2006.

Auditors

The auditors of the Issuer are PricewaterhouseCoopers S.p.A. who are registered on the special register of accounting firms held by CONSOB.

Potential conflicts of interest

Save for the commissions payable to the Managers (for further detail, see “Subscription and Sale” above), there are no interests, conflicting or otherwise, of natural and legal persons involved in the issue of the Notes that are material to the issue of the Notes.

Legend

The Notes and any Coupons appertaining thereto will bear a legend to the following effect: “*Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.*”

THE ISSUER

Assicurazioni Generali S.p.A.
Piazza Duca degli Abruzzi 2
34132 Trieste
Italy

JOINT LEAD MANAGERS

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

J.P. Morgan Securities Ltd.
125 London Wall
London EC2Y 5AJ
United Kingdom

Mediobanca - Banca di Credito Finanziario S.p.A.
Piazzetta E. Cuccia 1
20121 Milan
Italy

CO-LEAD MANAGERS

Banca Caboto S.p.A.
Piazzetta Giordano dell'Amore 3
20121 Milan
Italy

Banca Generali S.p.A.
Via Crispi 4
34125 Trieste
Italy

CALYON
Via Brera 21
20121 Milan
Italy

Commerzbank Aktiengesellschaft
Kaiserplatz
60261 Frankfurt am Main
Germany

FISCAL AGENT

BNP Paribas Securities Services, Luxembourg Branch
33, Rue de Gasperich, Howald - Hesperange
L-2085 Luxembourg

PAYING AGENT

BNP Paribas Securities Services, Luxembourg Branch
33, Rue de Gasperich, Howald - Hesperange
L-2085 Luxembourg

LEGAL ADVISERS

To the Issuer as to Italian Law:

Legal Department of Assicurazioni Generali S.p.A.
Via Machiavelli 4
34125 Trieste
Italy

*To the Joint Lead Managers as to
Italian tax law*

Studio Vitali Romagnoli Piccardi e Associati

Via Crocefisso 12
20122 Milan
Italy

*To the Joint Lead Managers as to
English and Italian law*

Clifford Chance Studio Legale Associato

Piazzetta M. Bossi 3
20121 Milan
Italy

**AUDITORS TO
ASSICURAZIONI GENERALI S.p.A.**

Pricewaterhouse Coopers S.p.A.

Viale Monterosa 91
20149 Milan
Italy

LISTING AGENT

BNP Paribas Securities Services, Luxembourg Branch

33 Rue de Gasperich, Howald -Hesperange
L-2085 Luxembourg

