

PRESS RELEASE

GENERALI FINALISES AGREEMENT WITH DE AGOSTINI FOR THE ACQUISITION OF TORO ASSICURAZIONI GROUP

- AGREEMENT REACHED FOR THE PURCHASE OF THE DE AGOSTINI GROUP'S CONTROLLING STAKE IN THE TORO ASSICURAZIONI GROUP FOR €21.20 PER SHARE
- ON COMPLETION OF THE STAKE ACQUISITION, GENERALI WILL LAUNCH A MANDATORY PUBLIC CASH TENDER OFFER FOR THE OUSTANDING SHARES OF TORO ASSICURAZIONI AT THE SAME €21.20 PER SHARE PRICE
- THE TRANSACTION WILL BE PAID FOR ENTIRELY IN CASH FOR A TOTAL MAXIMUM CONSIDERATION OF € 3.85 BILLION
- TORO ASSICURAZIONI WOULD SUBSEQUENTLY BE DELISTED VIA A TRANSACTION THAT WOULD SEE ITS INSURANCE BUSINESS MERGED INTO THAT OF ASSICURAZIONI GENERALI

FOLLOWING THE TRANSACTION GENERALI GROUP BECOMES THE LEADING NON-LIFE INSURER IN THE ITALIAN MARKET, ALSO DOUBLING ITS MARKET SHARE IN THE RETAIL SEGMENT

- STRUCTURAL REFORMS IN THE ITALIAN NON-LIFE BUSINESS HAVE MADE IT ONE OF THE MOST ATTRACTIVE SEGMENTS IN EUROPEAN INSURANCE
- TORO ASSICURAZIONI'S SUBSTANTIAL SHARE OF THE RETAIL AND SME MARKET REPRESENTS A STRONG FIT WITH GENERALI'S OWN BUSINESS MODEL; GENERALI'S ITALIAN ORGANISATIONAL MODEL WILL FACILITATE THE INTEGRATION OF TORO

€180 MILLION IN COST SYNERGIES BY 2009; UP TO €70 MILLION IN REVENUE SYNERGIES BY 2009 FROM NEW CROSS-SELLING OPPORTUNITIES

TRANSACTION IS EPS ACCRETIVE (+11%) AND ACCRETIVE TO EMBEDDED VALUE EARNINGS (+8%) IN 2009. IMMEDIATELY EPS ACCRETIVE (+6%) IN 2007

Trieste, 25 June 2006. Following a meeting today of the Executive Committee of Assicurazioni Generali held under the Chairmanship of Antoine Bernheim, Generali has signed an agreement for the acquisition of De Agostini controlling shareholding in Toro Assicurazioni.

The agreement reached sets out the principal terms and conditions of the future sale and purchase contract.

In particular the agreement entails the acquisition by Generali of 100,921,692 shares in Toro, the equivalent of 55.5% of Toro's equity capital, at a price per share of €21.20 representing a total consideration of € 2,139 million.

De Agostini will also have the possibility to sell, and Generali the obligation to buy, up to a maximum of 18,184,188 more Toro shares, equivalent to 10% of Toro's total equity capital, at the same price per share as stated above, and therefore for a further maximum consideration of €385.5 million.

With the above elements having now been established, the parties will, within three weeks, negotiate the remaining terms and conditions of the final sale and purchase agreement.

The transaction entails the subsequent launch of a mandatory public cash tender offer by Generali for the outstanding share capital of Toro.

Generali's Executive Committee has resolved to set the offer price for minority shareholders at the same €21.20 level recognised to the controlling shareholder.

The total maximum consideration of the transaction will be € 3.85 billion.

Giovanni Perissinotto, Generali Group CEO, stated: "With the acquisition of Toro we are targeting a doubling of our share of the retail insurance market in Italy, achieving at the same time market leadership in the Italian non-life business. The organisational structure of our business in Italy today, based on unified support services, will allow the group to maximize the benefits of this transaction.

We have been able to move rapidly to seize this opportunity thanks to the reorganisation of the Group's financial structure as implemented over the past month. While this transaction completes the Group's footprint in Italy, we will, of course, continue our strategy of seeking out value-creating opportunities in other markets".

Strategic Rationale for the Transaction

The Italian non-life insurance market has become one of the most attractive in Europe in terms of margin and growth potential.

The acquisition of Toro is a one-off opportunity for the Group – already the leader in the Italian life insurance segment – to become the leading player in the non-life sector in Italy. Strong customer loyalty makes development by external means the most effective way to secure medium term growth. Following the transaction, Generali Group will increase its non-life market share in Italy from 15.6% to 22%.

The transaction is consistent with the Group's increasing strategic focus, as underlined in recent years, on developing its retail customer base. Toro is one of Italy's leading retail market oriented insurance groups. Further, the geographic distribution of the Toro Group's network is complementary to that of Generali.

Toro also has a strong presence in motor insurance, specifically in Northern and Central Italy. This will significantly boost the Group's market share - from 10.7% to 18% - in a sector whose results are benefiting from the structural reforms of recent years in Italy that have contributed to significant improvements in claims frequency and profitability trends.

Generali's operational and organisational structure in Italy will facilitate the efficient integration of the Toro Group. As a result, the transaction is expected to result in gross cost synergies of € 180 million and revenue synergies of up to € 70 million by 2009.

Financing the Transaction

The acquisition of 100% of Toro will be financed using resources already available to the Group and by the issue of a new hybrid bond. The specific break down is as follows:

- € 1.7 billion from resources previously allocated to a buy-back programme of the Group's own shares;
- € 700 million in resources not used in the previously announced buy-out of minorities in the Group's subsidiary companies;
- € 1.2 billion derived from a new hybrid bond issue;

- € 255 million from existing resources.

Following the transaction the remaining buy back programme of Group's own shares will be suspended.

In addition Generali will move to reduce its senior debt by € 700 million using existing resources.

The debt transactions described above will lead to a net variation in debt that will have a limited impact on the leverage ratio (moving from 29% to 31%).

Given the above, Generali would expect the Group's credit ratings to remain unchanged.

Impact of the Transaction on the Strategic Plan

The transaction, taking account of cost synergies only, will deliver increases in 2009 of:

- +11% in Earnings Per Share
- +8% in Embedded Value earnings

The transaction is immediately eps accretive (+6%) in 2007.

Post the transaction the Group's excess capital will remain substantially unchanged.

The transaction and its relevant timetables are subject to authorisation by the competent authorities.

Mediobanca acted as Financial Adviser to the transaction. Clifford Chance acted as Legal Advisors.

About Toro Assicurazioni

Toro Assicurazioni, founded in 1833, is listed on the Milan Stock Exchange and has been controlled by the De Agostini Group since 2003. Toro Targa, Nuova Tirrena, Agusta Assicurazioni and DAS are also part of the Toro Assicurazioni Group.

Toro Assicurazioni's total premium income in 2005 was € 2,821 million (+7.3% on 2004), of which € 2,340 million was accounted for by non-life business. In 2005 Toro's net profit amounted to € 334 million (+109% on 2004) with a combined ratio of 95%.

Investments in 2005 amounted to € 9,018 million, net technical reserves were € 6,974 million, while net shareholder equity amounted to € 2,361 million.

Toro's business is focused on families and small and medium sized businesses and its 2.6 million customers are mostly located in North Western and Central Italy. Its distribution is based on an agency network (1,485 agents) that gives it nationwide coverage.

Toro Assicurazioni was ranked 10th in Italy for total premium income in 2005, and 5th in the non-life business with a market share of 6.4%. It ranked 20th in the life segment in Italy with a market share of 0,7%.

At 9:00 am (Italian time) tomorrow, Monday 26 June, a conference call will be held with the financial community. It will be possible to follow the call by dialling: + 39.028020928.

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