Algebris INVESTMENTS

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24 October 2007

Antoine Bernheim
Chairman of the Board of Directors
Assicurazioni Generali
2, Piazza Duca degli Abruzzi, Trieste, Italy

Giovanni Perissinotto
Chief Executive Officer
Assicurazioni Generali
2, Piazza Duca degli Abruzzi, Trieste, Italy

Sergio Balbinot
Chief Executive Officer
Assicurazioni Generali
2, Piazza Duca degli Abruzzi, Trieste, Italy

cc. Secretary of the Board of Directors
Assicurazioni Generali
2, Piazza Duca degli Abruzzi, Trieste, Italy

Dear Sirs,

Algebris Investments (UK) LLP, founded in 2006 by Eric Halet and Davide Serra, is the London based management company of Algebris Global Financials Master Fund. Algebris Investments (UK) LLP is a shareholder of Assicurazioni Generali S.p.A., in which it holds 3,910,000 ordinary shares, equal to 0.3% of capital, and 7,970,000 call options on ordinary shares. Exercising the options would bring Algebris ownership position to approximately 1%. Algebris Investments (UK) LLP is authorized and regulated by the Financial Services Authority.

We believe that Generali is a company with enormous potential. However, we believe that due to weak corporate governance and misaligned management incentivisation, the Group currently delivers only 60% of its potential earnings, or 75% assuming full achievement of the 2009 business plan. This results, in our view, in the company being undervalued by approximately 40% (cfr. Appendix, Table 4). For this reason our investment in Generali is strategic and for the long-term, and we will do anything possible to create value for the company and its shareholders.

In our view, the current corporate governance and top management remuneration structures are not appropriate for an international institution like Generali, and represent a burden to long-term value creation for shareholders, employees and other stakeholders.

This lower level of value creation is evident from a long-term comparison with the two largest European insurers (AXA and Allianz) and the two largest Italian financial institutions (Unicredit and Intesa Sanpaolo). On a 3, 4 and 5-year basis, Generali has delivered a total return to shareholders which is approximately 30% lower than that of its peers (cfr. Table 1).

We believe that Generali's under-performance is due to a lack of good corporate governance and an absence of the right long-term incentives for management and employees. In our

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opinion, these structural issues have affected the way in which the Group's resources have been managed and have resulted into weaker operating results than other major European insurers.

According to our analysis, the actions of past management teams have significantly held back the Group's operating performance relative to peers. The business plan update announced on 28 September 2007 is a step in the right direction. We believe that the new targets, boosting the company's metabolism, will improve operating performance in 2009 to the levels already achieved today by other major European insurers.

However, we believe that in order to ensure the full delivery of the business plan's financial objectives, it is paramount that Generali tackles its structural issues, especially with regard to corporate governance and management incentivisation. In addition, Generali will require the necessary environmental conditions to operate optimally, i.e. the absence of conflicts of interest with Mediobanca and Mediobanca's shareholders.

Specifically, we respectfully ask the Board of Directors to implement the following:

1. At the next business plan update, announcement of 3 to 5 year targets for earnings per share, dividends per share, operating result and combined ratio. We request the combined ratio to include all operating costs and to be comparable to other major European insurers.

2. A significant reduction in the fixed component of top management remuneration and an increase in the variable component, in line with other major European insurers. The variable component should be linked directly to the achievement of the goals set forth in the 3 to 5 year business plan.

3. A more robust model of corporate governance, with a non-executive chairman, one CEO and executive managers expressly responsible for the key areas of the Group. We are not in favor of the appointment of Mr. Agrusti as Chief Financial Officer, because, in our opinion, his international experience is not adequate to the managerial responsibilities assigned to him.

4. The resolution of any conflicts of interest between Mediobanca, Mediobanca's shareholders and Generali with regard to strategic actions and company operations. In particular, the Board of Directors of Generali should be free, in our view, from any conflicts of interest with Mediobanca or Mediobanca's shareholders and should be exclusively committed to creating value for all Generali's shareholders.

We intend to consult with other shareholders of Generali, to discuss these matters and to encourage their participation in the next AGM. We respectfully point out that, under Italian law and the company's bylaws, shareholders who, either alone or jointly with others, hold 10% or 2.5% of the company's share capital are entitled to request, respectively, a Shareholders' Meeting to be convened or to include additional items in the agenda of the Shareholders' Meeting.

1. Business Plan

While in our view the business plan announced in 2006 and updated on 28 September 2007 is a step in the right direction, the achievement of the announced targets does not necessarily result in value creation for shareholders.

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For example we believe that the combined ratio calculated by Generali and used as a key target in the business plan does not correctly represent the profitability of the P&C business. In particular, the ratio does not include a very significant cost item called "other operating expenses", of which a detailed breakdown is not disclosed.

Benchmarking on a comparable basis with AXA, Allianz and Zurich Financial Services shows that on 30 June 2007 Generali had a combined ratio of 100.0%, versus 98.5% at AXA, 95.5% at Allianz and 97.7% at ZFS. These figures were published on 24 August 2007 by Andrew Crean, Citigroup analyst for the European Insurance sector ranked number one in Europe by "Institutional Investors" magazine. We believe that this is the correct methodology to use when comparing the profitability of large European insurers.

The other business plan targets (net income, operating result, return on embedded value and new business value) do not necessarily result in value creation for shareholders, as they can be achieved through dilutive M&A transactions, actions on Generali's capital structure or changes in embedded value assumptions.

2. Remuneration of top management

We believe that the remuneration of Generali's top management needs to be directly tied to the achievement of business plan targets and to the creation of long-term value for shareholders and other stakeholders.

In a comparison with AXA and Allianz, the average remuneration of Generali's top management[1] is not only higher but has also a significantly lower variable component. In particular, we believe that the remuneration of Generali's Chairman is unacceptable by European standards and that Generali's current incentivisation schemes do not properly align the interests of top management with those of shareholders and are inadequate for all other managers and employees.

In particular:

1. The average remuneration of Generali's top management is higher than that of AXA and Allianz (cfr. Table 3). Taking into account fixed salary, bonus and incentivisation schemes we estimate that the average remuneration of Generali's top management is 14% higher than that of AXA and 63% higher than that of Allianz. This difference in our view is not justified, given that AXA and Allianz have market capitalisations which are, respectively, 50% and 68% higher than Generali's and in 2006 generated, respectively, almost two and three times its amount of profit.

2. Generali's top management receives a significantly higher portion of their remuneration in the form of a base salary. In 2006, Generali's top management has received a base salary which is on average approximately three times that of AXA and two times that of Allianz (cfr. Table 3). The base salary as a percentage of average remuneration is 29% for Generali, versus 11% for AXA and 27% for Allianz.

3. We believe that the remuneration of Generali's Chairman is unacceptably high compared to those at other major European insurers. In 2006 Generali's Chairman received approximately nine times the total compensation of AXA's Chairman[2] (cfr. Table 3); his base salary[3] was four times higher than that of AXA's CEO and two times higher than

[1] For the purpose of this letter top management consists of the company's managing directors

[2] Gross of stock option plans, which the AXA Chairman does not receive.

[3] Includes fixed salary and other salary, excludes bonus and incentivisation schemes.

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that of Allianz' CEO. Mr. Bernheim compensation, gross of stock option plans, was higher compared to that received by the CEOs of AXA and Allianz, by 31% and 14% respectively. According to our estimates, Mr. Bernheim total compensation, including stock option plans, was roughly in line with that of AXA's CEO (cfr. Table 3) and 49% higher than that of Allianz, without clear justification in terms of company size, value creation for shareholders or responsibilities within the company.

In the recent ranking published by Fortune the total compensation of Generali's Chairman in 2006 is:

a. The highest among chairmen in Europe
b. The highest among chairmen and CEOs of insurance companies in Europe
c. Number two among chairmen and CEOs of financial institutions in Europe
d. Number five in the total ranking, which includes chairmen and CEOs of financial and non-financial companies in Europe

We believe such remuneration to be disproportionate to the relative size of Generali in Europe (no. 66 by market capitalization) and to the value created for shareholders in 2006 (total return of 15%, versus 19% of the Eurostoxx 50 index) and 2005 (20% versus 25%, respectively).

The Chairman of Generali is also the oldest among the managers of all companies within the Eurostoxx 50 index. We believe this might be an impediment to developing and executing a long-term strategic vision for Generali. This is why Axa's bylaws explicitly provide with an age limit of 74 years for members of the Supervisory Board.

Finally, unlike other managers mentioned in the ranking, the Chairman of Generali is not viewed by investors as the ultimate reference for the company's operating performance: Mr. Bernheim is not accessible to shareholders, he does not regularly meet with investors nor attends results presentations.

4. We believe that the incentivisation schemes for Generali's top management are not aligned in a clear and transparent way to value creation for shareholders. It is unclear how the granting of stock options is linked to annual performance targets as these targets, despite being supposedly linked to the business plan, are not disclosed to the market.

   We believe that the 2006-2008 stock option plan for the Chairman and CEOs is not aligned to business plan targets in a simple and transparent manner. There are three tranches of options: one for every year of the plan, at different exercise prices and with different expiry dates. At the next business plan update, we believe that the interests of shareholders would be better served by the adoption of one single stock-option grant, assigned at the announcement date, with exercise subject to the achievement of 3 to 5-year targets and stock price performance.

   In our view, the remuneration schemes adopted by AXA and Allianz give longer term incentives to top managers and create a better alignment of interests with shareholders.

   For example at AXA one third of management stock option compensation is dependent on stock price performance relative to a European insurance index (Eurostoxx Insurance) from the date of assignment.

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At Allianz, stock options can be exercised only if the Allianz share price has increased by at least 20% since the grant date[1]. In addition, similarly to AXA, the exercise is subject to the performance of the stock price relative to the Eurostoxx index.

AXA and Allianz also use performance shares which, in our view, offer a higher degree of flexibility in setting compensation for top management, as the amount of shares delivered can vary significantly (eg. AXA top managers can receive from 0% to 130% of the amount originally granted) depending on previously disclosed and transparent operating targets.

5. We further believe that the degree of incentivisation for other Generali managers and employees is, on the other hand, quite limited. During our meetings with company executives we were told that middle management have different operating targets than top management. In our view all employees should be focused on achieving the same operating targets. At the next business plan update, we believe that the interests of shareholders would be better served if all group employees received a stock option plan similar to the one granted to top management, with expiry in 3 to 5 years, subject to the achievement of the announced 3 to 5-year targets and stock price performance.

3. Corporate Governance

We believe that the current model of corporate governance (an executive Chairman, two CEOs and a General Manager/CFO) represents an anomaly among major European insurers.

In particular:

1. AXA and Allianz each have a supervisory board with a non-executive Chairman whose role, according to the Code of Conduct of the Italian Stock Exchange, ensures a clear alignment of interests among board of directors, top management and shareholders. In our view, the presence of a non-executive Chairman has been crucial to the value creation achieved by AXA and Allianz over the last four years.

2. AXA and Allianz each have a single group CEO who presides over and is directly responsible for the operating results of their respective groups. Generali has two CEOs, a structure that has worked to date due primarily to the personalities of and the relationship between the two individuals. However, this model is not sustainable over the long-term and does not represent the best practice in managing an international company like Generali. In Italy both Banca Intesa and Sanpaolo IMI abandoned the double CEO structure, in 2002 and 2004 respectively.

3. AXA and Allianz' top management positions include one Group Chief Financial Officer and one Group Chief Operating Officer. In Generali these centers of responsibility, key to the efficient functioning of any sizeable international organization, either do not exist or, in our opinion, are not vested with relevant powers. Generali has recently created a CFO position which reports exclusively to the CEO responsible for the Italian business, despite the fact that 64% of premiums are generated abroad. In addition, the CFO was not in attendance at the 2009 business plan presentation and, hence, is still unknown to many international investors.

[1] More precisely, 20% is calculated versus the reference price, which is the average price during the 10 days prior to granting the options.

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We respectfully ask the Board of Directors to adopt a management structure similar to those already in existence at AXA and Allianz in order to achieve a better alignment of interests between top management and shareholders. In our view Generali's top management team should consist of the following positions:

- Non-Executive Chairman;
- One Group CEO;
- Group Chief Financial Officer, with international experience and a strong reputation among institutional investors;
- Group Chief Operating Officer;
- Group Chief Investment Officer;
- A managing director for each key geographic area.

We believe that the proposed structure would promote a stronger integration of the Generali group and a clearer distribution of responsibilities. It will also enable the Board of Directors and shareholders to better assess the implementation of the business plan.

Prominent international research houses agree with our analysis on Generali's corporate governance. After the business plan update both Goldman Sachs and Merrill Lynch, disappointed by the lack of significant changes in corporate governance, have reduced their recommendation on the stock from "hold" to "sell". In particular, the research notes include the following comments:

- "We highlighted the need for Generali to improve its corporate governance in our June 11 report. [...] Generali is still far from having a lean and streamlined organizational structure, in our view. [...] We continue to favor a complete corporate governance restructuring that takes into consideration the adoption of the dual model, in order to address the issues inherent in Generali's current organizational architecture." (Goldman Sachs, 2 October 2007)[1]

- "Is a premium deserved? [...] You could argue for a higher multiple due to higher growth prospects. But equally, we think you can argue for a higher discount rate (and therefore lower PE) due to opaque corporate governance." (Merrill Lynch, 16 October 2007)[2]

4. <u>Conflicts of interest with Mediobanca and Mediobanca's shareholders</u>

As minority shareholders in Generali, we want comfort that the Board of Directors addresses any potential conflicts of interest between the company and Mediobanca or Mediobanca's shareholders in a transparent and equitable manner. We require the Board to preside over transparency and fairness, in substance as well as form, in any dealings with related parties. And we expect the company to be free from any significant influence by Mediobanca or Mediobanca's shareholders.

Finally, we invite Consob to monitor very closely all dealings with related parties and ensure that they are properly disclosed.

[1] The research report, announced to the market on 2 October 2007, can be consulted on the web site https://www.themarkets.com/public/index.asp.

[2] The research report, announced to the market on 16 October 2007, can be consulted on the web site https://www.themarkets.com/public/index.asp.

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Conclusions

We urge the Board and the company to consider seriously our recommendations. We believe that in the next few years Generali is at risk of falling further behind other major European insurers as a consequence of its weak corporate governance structure and management incentivisation schemes. We believe that in the long-term these issues will prove to be major obstacles to value creation for shareholders, employees and all stakeholders.

The purpose of this letter is to stimulate the Board of Directors and all shareholders to make Generali one of the best insurance companies in Europe. We believe that it is only with a clear alignment of interests between shareholders and top management that Generali can achieve operational excellence, which in the long term may allow the company to grow organically and remain independent. The spirit of our letter is in line with the "Concluding Remarks" of the Governor of the Bank of Italy[1]. We point out below some of his considerations:

— "Neither size nor nationalistic defences can safeguard those [...] which, although sound, do not constantly seek to increase their value";
— "An appropriate system of corporate governance satisfies a need for fairness in the treatment of shareholders' property rights, but also criteria of efficiency. Less-than-transparent systems make it difficult for minority shareholders to provide a stimulus, accentuate the self-referential nature of management and protect the private benefits of the controlling group";
— "[...] the conflicts of interest that are ever present in the land of cross-shareholdings have to be resolved";
— "[Shareholders] [...] have a duty [...] to be especially active in ensuring that the objective of mergers and acquisitions is to increase value and then in verifying that management decisions are consistent with that aim".

If our indications are acted upon, we believe that Generali will be in better position to achieve its full earnings potential in the medium term, which, according to our calculations, equates to a net profit of Eur 4.5-5.0 billion (cfr. Table 4), compared to a business plan target of Eur 3.8 billion in 2009. At this level of profitability we believe Generali's share price to be worth Eur 40 to 44 per share (cfr. Table 4).

We make ourselves available to the Board and all Generali's shareholders to engage in a constructive dialogue, which in our view could serve the interests of both the company and its shareholders.

Yours sincerely,

Davide Serra
Founding Partner
Algebris Investments (UK) LLP

Eric Halet
Founding Partner
Algebris Investments (UK) LLP

Massimo Massimilla
Partner
Algebris Investments (UK) LLP

[1] "The Governor's Concluding Remarks", Ordinary Meeting of Shareholders, Rome, 31 May 2007

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APPENDIX

Table 1: Total Shareholder Return

	Total Shareholder Return						Avg. 4 -
From:	Generali	AXA	Allianz	Unicredit	Intesa	Avg. 4	Generali
16-October-02	119%	166%	91%	96%	281%	159%	**-40%**
16-October-03	84%	124%	104%	66%	129%	106%	**-22%**
16-October-04	57%	107%	108%	61%	96%	93%	**-36%**
16-October-05	38%	47%	44%	37%	55%	46%	**-8%**
16-October-06	12%	3%	13%	-9%	6%	3%	**9%**

Source: Bloomberg, 16 October 2007

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Table 2: 2006 Top Management Compensation: Generali vs. AXA vs. Allianz

		Base Salary	Other	**Total Base + Other**	Bonus	**Total excl. Plans**	N. Options	Strike Price	Vesting	Expiry	Value per Option	Value Stock Option Plan	N. Perf. Shares	Vesting	Value Perf. Shares	Value Perf. Shares Plan	Total Plans	**Total Comp.**
Generali (€ 000)																		
Exec. Chairman	Antoine Bernheim	2,643	99	**2,743**	2,170	**4,913**	500,000	30.1	10/05/09	10/05/12	7.60[1]	3,800	-	-	-	-	3,800	**8,713**
CEO	Giovanni Perissinotto	2,073	0	**2,073**	1,600	**3,673**	500,000	30.1	10/05/09	10/05/12	7.60[1]	3,800	-	-	-	-	3,800	**7,473**
CEO	Sergio Balbinot	2,073	117	**2,190**	1,600	**3,790**	500,000	30.1	10/05/09	10/05/12	7.60[1]	3,800	-	-	-	-	3,800	**7,590**
CFO & GM	Raffaele Agrusti	750	0	**750**	350	**1,100**	200,000	31.4	23/03/09	22/03/12	8.27	1,654	-	-	-	-	1,654	**2,754**
Total		7,540	216	**7,757**	5,720	**13,477**						13,054					13,054	**26,531**
Average		1,885	54	**1,939**	1,430	**3,369**						3,264					3,264	**6,633**
AXA (€ 000)																		
Non Exec. Chairman	Claude Bebear	123	434	**557**	0	**557**	-	-	-	-	-	-	-	-	-		-	**557**
CEO	Henri De Castries	500	194	**694**	3,064	**3,758**	571,913	28.4	31/03/09[2]	31/03/16	6.48[3]	3,706	57,191	31/03/08	28.41[4]	1,625	5,331	**9,089**
CFO	Denis Duverne	400	51	**451**	1,397	**1,848**	318,637	28.4	31/03/09[2]	31/03/16	6.48[3]	2,065	31,864	31/03/08	28.41[4]	905	2,970	**4,818**
COO	Claude Brunet	340	74	**414**	910	**1,324**	196,085	28.4	31/03/09[2]	31/03/16	6.48[3]	1,271	19,608	31/03/08	28.41[4]	557	1,828	**3,152**
CEO USA	Christopher Condron	796	217	**1,013**	3,662	**4,675**	592,713	28.6	31/03/09[2]	31/03/16	6.48[3]	3,841	59,271	31/03/08	28.41[4]	1,684	5,525	**10,200**
CEO France	Francois Pierson	400	57	**457**	1,256	**1,713**	318,637	28.4	31/03/09[2]	31/03/16	6.48[3]	2,065	31,864	31/03/08	28.41[4]	905	2,970	**4,683**
CEO Rest of Europe	Alfred Bouckaert	600	137	**737**	848	**1,585**	147,063	28.4	31/03/09[2]	31/03/16	6.48[3]	953	14,706	31/03/08	28.41[4]	418	1,371	**2,956**
Total Executives		3,036	731	**3,767**	11,137	**14,904**						13,900					19,994	**34,898**
Avg. Executives		506	122	**628**	1,856	**2,484**						2,317					3,332	**5,816**
Allianz (€ 000)																		
Non Exec. Chairman	Henning S.-Noelle	100	98	**198**	96	**294**	-	-	-	-	-	-	-	-	-		-	**294**
CEO	Michael Diekmann	1,050	571	**1,621**	2,682	**4,303**	15,228	158.9	17/05/08	16/05/13	37.50	571	7,752	17/05/11	123.45	957	1,528	**5,831**
CFO	Helmut Perlet	700	408	**1,108**	1,823	**2,931**	9,697	158.9	17/05/08	16/05/13	37.50	364	4,936	17/05/11	123.45	609	973	**3,904**
COO	Gerhard Rupprecht	700	415	**1,115**	1,830	**2,945**	9,638	158.9	17/05/08	16/05/13	37.50	361	4,906	17/05/11	123.45	606	967	**3,912**
CIO	Paul Achleitner	700	469	**1,169**	1,883	**3,052**	10,476	158.9	17/05/08	16/05/13	37.50	393	5,332	17/05/11	123.45	658	1,051	**4,103**
CEO UK / AUS	Clement B. Booth	700	302	**1,002**	1,821	**2,823**	9,379	158.9	17/05/08	16/05/13	37.50	352	4,774	17/05/11	123.45	589	941	**3,764**
CEO US	Jan R. Carendi	700	15	**715**	1,593	**2,308**	9,380	158.9	17/05/08	16/05/13	37.50	352	4,775	17/05/11	123.45	589	941	**3,249**
CEO South Europe	Enrico Cucchiani	700	268	**968**	1,846	**2,814**	7,139	158.9	17/05/08	16/05/13	37.50	268	5,634	17/05/11	123.45	696	963	**3,777**
CEO AM	Joachim Faber	700	403	**1,103**	1,695	**2,798**	9,673	158.9	17/05/08	16/05/13	37.50	363	4,924	17/05/11	123.45	608	971	**3,769**
CEO France	Jean-Philippe Thierry	700	55	**755**	1,790	**2,545**	9,321	158.9	17/05/08	16/05/13	37.50	350	4,745	17/05/11	123.45	586	935	**3,480**
CEO Dresdner	Herbert Walter	700	611	**1,311**	1,726	**3,037**	10,476	158.9	17/05/08	16/05/13	37.50	393	13,398	17/05/11	123.45	1,654	2,047	**5,084**
CEO CEE / Asia	Werner Zedelius	700	341	**1,041**	1,864	**2,905**	10,027	158.9	17/05/08	16/05/13	37.50	376	5,104	17/05/11	123.45	630	1,006	**3,911**
Total Executives		8,050	3,858	**11,908**	20,553	**32,461**						4,141					12,324	**44,785**
Avg. Executives		732	351	**1,083**	1,868	**2,951**						376					1,120	**4,071**

Source: Annual Reports 2006, Corporate Governance Reports 2006

Notes:

1. *Due to lack of disclosure, the value has been derived on Bloomberg using the same volatility implied by the plan 23/3/2006-2012 (30%). The plan was originally exercisable from 1/1/2008 and as such was valued 6.37 euros per option (cfr. Consolidated Annual Report 2006), but the exercise date has then been subsequently extended to 10/5/2009.*
   The current characteristics of the plan are similar to the one dated 23/3/2006-2012, which has been valued at 8.27 euros per option
2. *Vesting of AXA options is for one third on 31/3/2008, two thirds on 31/3/2009 and for the whole amount on 31/3/2010. The average date has been shown in the table.*
3. *Weighted average fair value of all options granted in 2006*
4. *Share price at the date of assignment; the figure in the annual report takes into account social costs and factors the event of over-performance*

Table 3: Summary of 2006 Top Management Compensation

€ 000

	Generali	AXA	Allianz	Delta % Generali vs. AXA	Delta % Generali vs. AXA
Generali's Chairman vs. AXA and Allianz' Chairmen					
Base salary + other	2,743	557	198	392%	1,285%
Base salary + other + bonus	4,913	557	294	782%	1,571%
Generali's Chairman vs. AXA and Allianz' CEOs					
Base salary	2,643	500	1,050	429%	152%
Base salary + other	2,743	694	1,621	295%	69%
Base salary + other + bonus	4,913	3,758	4,303	31%	14%
Incentivisation plans	3,800	5,331	1,528	-29%	149%
Total remuneration	8,713	9,089	5,831	-4%	49%
% Base salary + other	31%	8%	28%		
% Bonus	25%	34%	46%		
% Incentivisation schemes	44%	59%	26%		
Total Remuneration	100%	100%	100%		
Average Executives					
Base salary + other	1,939	628	1,083	209%	79%
Total remuneration	6,633	5,816	4,071	14%	63%
% Base salary + other	29%	11%	27%		
% Bonus	22%	32%	46%		
% Incentivisation schemes	49%	57%	28%		
Total Remuneration	100%	100%	100%		

Source: Annual Reports 2006, Corporate Governance Reports 2006

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Table 4: Generali target price

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Consensus Earnings 2007[1]	**2,943**
Consensus EPS 2007 – post buy back (€)	*2.17*
Estimated synergies from alignment to market best practices[2]	1,043
Potential Earnings 2007	**3,986**
% Difference	35%
Potential EPS 2007	*2.93*
Organic medium-term growth rate (stima)	6%
Potential earnings in the medium term (2010)	4,747
Range +/- 5%	*4,509 - 4,984*
Potential EPS in the medium term	*3.50*
Multiple Price / Earnings – average 1 year forward for European insurers[3]	11.5-12.5x
Target price of Generali's stock (next 2 years)	**40-44**

Notes:

1) *Consensus post 27 September 2007, on 16 October 2007*
2) *Alignment of Group combined ratio (defined as in the report "Under Cover - Issue 235" by Citigroup of 24 August 2007) to best practice within a sample (AXA, Allianz, ZFS); alignment of expense ratio and return on embbedded value of life business in Germany to best practice within the sample; restructuring of real estate and third party asset management businesses; alignment of P&C investment yield to best practice within the sample*
3) *Source: Citigroup, 9 October 2007, GAAP P/E 2008, "Under Cover – Issue 241", simple average of the sample (12x), +/- 5%*

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