



U.S. FEDERAL INCOME TAX INFORMATION FOR TRAVELERS SHAREHOLDERS

This discussion addresses certain United States federal income tax consequences to Travelers Property Casualty Corp. (“Travelers”) shareholders of the merger relating to Travelers and The St. Paul Companies, Inc. A discussion of the material U.S. federal income tax consequences of the merger appeared at pages 108-110 of the joint proxy statement/prospectus relating to the merger, dated February 13, 2004 (“Proxy Statement”). (Please refer to this discussion for additional U.S. federal income tax information.)

This discussion does not address tax consequences that may vary with, or are contingent on, individual circumstances, nor does it address any non-income tax or any foreign, state or local tax consequences of the merger. Tax matters are very complicated, and the tax consequences of the merger to you will depend upon the facts of your particular situation. Accordingly, we strongly urge you to consult with a tax advisor to determine the particular federal, state, local or foreign income or other tax consequences to you of the merger.

Reporting Requirements. With respect to The St. Paul Travelers Companies, Inc. (“St. Paul Travelers”) common stock you receive as a result of the merger, you will be required to retain records pertaining to the merger. **You also are required to file with your United States federal income tax return for the tax year 2004, a statement setting forth certain facts relating to the merger. (See enclosed statement.)**

General. This discussion assumes that you hold your Travelers common stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code. As set forth at pages 108-110 of the Proxy Statement, the material United States federal income tax consequences of the merger for most Travelers shareholders are as follows:

- the merger will be treated as a reorganization within the meaning of Section 368(a) of the Code;
- you will not recognize gain or loss when you exchange your Travelers common stock for St. Paul Travelers common stock, except to the extent of any cash received in lieu of a fractional share of St. Paul Travelers common stock;
- your tax basis in the St. Paul Travelers common stock that you receive in the merger (including any fractional share interest you are deemed to receive and exchange for cash) will equal your tax basis in the Travelers common stock you surrender; and
- your holding period for the St. Paul Travelers common stock that you receive in the merger will include your holding period for the Travelers common stock that you surrender in the merger.

If you acquired different blocks of Travelers common stock at different times and at different prices, your basis and holding period in your St. Paul Travelers common stock may be determined with reference to each block of Travelers common stock.

Cash in lieu of Fractional Shares. You will generally recognize capital gain or loss on any cash received in lieu of a fractional share of St. Paul Travelers common stock equal to the difference between the amount of cash received and the basis allocated to such fractional share. That capital gain or loss will constitute long-term capital gain or loss if your holding period in Travelers common stock surrendered in the merger is greater than 12 months as of the date of the merger.

Determination of Basis. The determination of the basis of your St. Paul Travelers shares of common stock is made using your basis in each separate block of Travelers Class A shares of common stock and Travelers Class B shares of common stock. The following example is intended to illustrate the determination of basis for your St. Paul Travelers shares of common stock, as well as the treatment of cash received for fractional shares.

Assume that you own 67 shares of Travelers Class B stock, with a cost basis of \$10 per share, and 33 shares of Travelers Class A stock, with a cost basis of \$12 per share. Accordingly, your basis in the Travelers Class B stock would be \$670 (67 times \$10) and your basis in the Travelers Class A stock would be \$396 (33 times \$12). The merger exchange value for a share of St. Paul Travelers common stock is \$40.01 per share.

With respect to your Class B shares, you will receive 29 shares of St. Paul Travelers stock ($67 \text{ times } .4334 = 29.0378$). You will have a basis in these 29 shares of \$23.07 per share (\$670 divided by 29.0378 shares). Your fractional share of .0378 has an allocated basis of \$.87 (.0378 times \$23.07), for which you receive cash of \$1.51 (.0378 times \$40.01), resulting in a capital gain of \$.64 with respect to the fractional share.

With respect to your Class A shares, you will receive 14 shares of St. Paul Travelers stock ($33 \text{ times } .4334 = 14.3022$). You will have a basis in these 14 shares of \$27.69 per share (\$396 divided by 14.3022). Your fractional share of .3022 has an allocated basis of \$8.37 (.3022 times \$27.69), for which you receive cash of \$12.09 (.3022 times \$40.01), resulting in a capital gain of \$3.72 with respect to the fractional share.

**Statement To Be Attached to Shareholder's Tax Return
Pursuant to Regulation Section 1.368-3(b)**

I (we) attach this statement to my (our) federal income tax return as required by Treasury Regulation Section 1.368-3(b) and provide the following information:

(1) On April 1, 2004, I (we) exchanged shares of Travelers Property Casualty Corp. Class A Common Stock and/or Travelers Property Casualty Corp. Class B Common Stock for shares of The St. Paul Travelers Companies, Inc. Common Stock and cash in lieu of fractional shares, pursuant to a merger qualifying as a tax-free merger under Section 368(a) of the Internal Revenue Code, as follows:

Travelers Class A shares: _____(enter number of shares exchanged)

Travelers Class B shares: _____(enter number of shares exchanged)

St. Paul Travelers shares: _____(enter number of shares received)

Fractional Share Cash (if any): \$_____(enter cash received)

(2) The cost or other basis of my (our) shares of Travelers Property Casualty Corp. Class A Common Stock and Travelers Property Casualty Corp. Class B Common Stock was:

Travelers Class A shares: \$_____(enter basis)

Travelers Class B shares: \$_____(enter basis)

(3) The fair market value of The St. Paul Travelers Companies, Inc. Common Stock that I (we) received was \$40.01 per share on the date of the exchange.

(4) I (we) did not assume any liabilities on the exchange, and none of the property I (we) received was subject to any liability.

Name

Signature

Taxpayer ID or Social Security Number