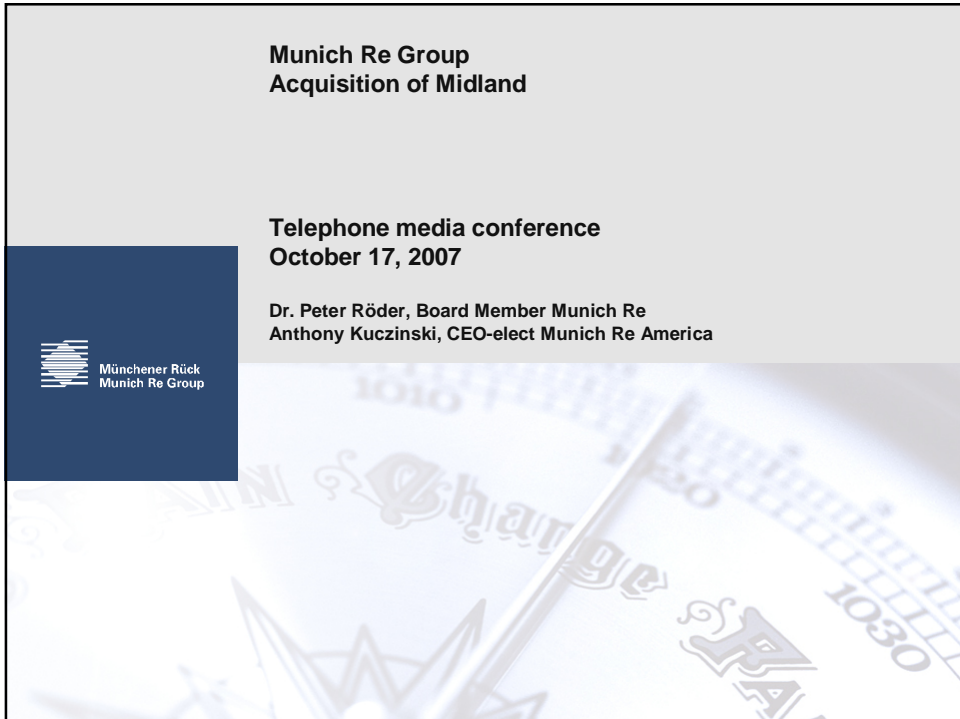


**Munich Re Group
Acquisition of Midland**

**Telephone media conference
October 17, 2007**

**Dr. Peter Röder, Board Member Munich Re
Anthony Kuczinski, CEO-elect Munich Re America**



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Acquisition rationale	
<p>Midland acquisition</p> <p>Unique opportunity to expand in US specialty p-c market</p>	
<p>Transaction highlights</p> <ul style="list-style-type: none"> ▪ US\$ 65 per share offer for 100% of outstanding shares of The Midland Company (Midland) ▪ Assumed value US\$ 1.3bn (€0.9bn) ▪ Entirely funded through own funds 	<p>Strategic rationale</p> <ul style="list-style-type: none"> ▪ Focus on profitable, fast-growing US specialty insurance segments ▪ Emphasis on short-tail, low-severity personal lines insurance ▪ Further detaching Munich Re from traditional p-c reinsurance cycle ▪ Long-standing experience of Munich Re in specialty insurance via US subsidiary ▪ EPS enhancement from 2008 onwards ▪ Full integration into Munich Re Group ▪ Support of financial targets announced as part of Changing Gear program
<p>No changes to Munich Re's capital management commitment to return > €8bn to shareholders</p>	

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Back-up

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Transaction Highlights

Offer	<ul style="list-style-type: none"> US\$ 65/ share (equaling US\$ 1.3bn) for 100% of outstanding shares
Structure	<ul style="list-style-type: none"> Transaction certainty through US M&A regulatory environment
Funding	<ul style="list-style-type: none"> Acquisition is entirely funded through own funds
Conditions to closing	<ul style="list-style-type: none"> Acceptance of transaction by majority of shareholders (>50%) Regulatory approval
Milestones	<p>Expected in Q2 2008</p>

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Acquisition rationale

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Midland acquisition

Logical step within our new US strategy

US primary p-c market – Net premiums written in US\$bn

Year	Net premiums written (US\$bn)
1995	260
1998	284
2001	330
2004	434
2005	436
2006	448

Source: A.M. Best

Goals of new US strategy

- Participate in significant potential of US p-c market
- Sustainable, profitable growth over course of market cycle
- Increase profitability from direct and broker reinsurance as well as primary insurance by
 - Employing a client-centric approach
 - Developing closer broker relationships to support clients' needs
 - Building a dominant presence in specialty primary insurance segments

One of the world's largest and fast-growing insurance markets

Full commitment to disciplined cycle management


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Acquisition rationale

Combined platform

Building a leading specialty lines platform in the US




Cross-selling	New products	New producers
<ul style="list-style-type: none"> Mutual marketing of combined product portfolio Cross-selling through co-marketing, private labeling and fronting 	<ul style="list-style-type: none"> Creation of new products through combination of know-how Higher acceptance of new Midland products through backing of Munich Re 	<ul style="list-style-type: none"> Cross-selling and new products through shared know-how leads to higher awareness and expansion of producer network

Realization of revenue synergies and exploitation of multiplier effects

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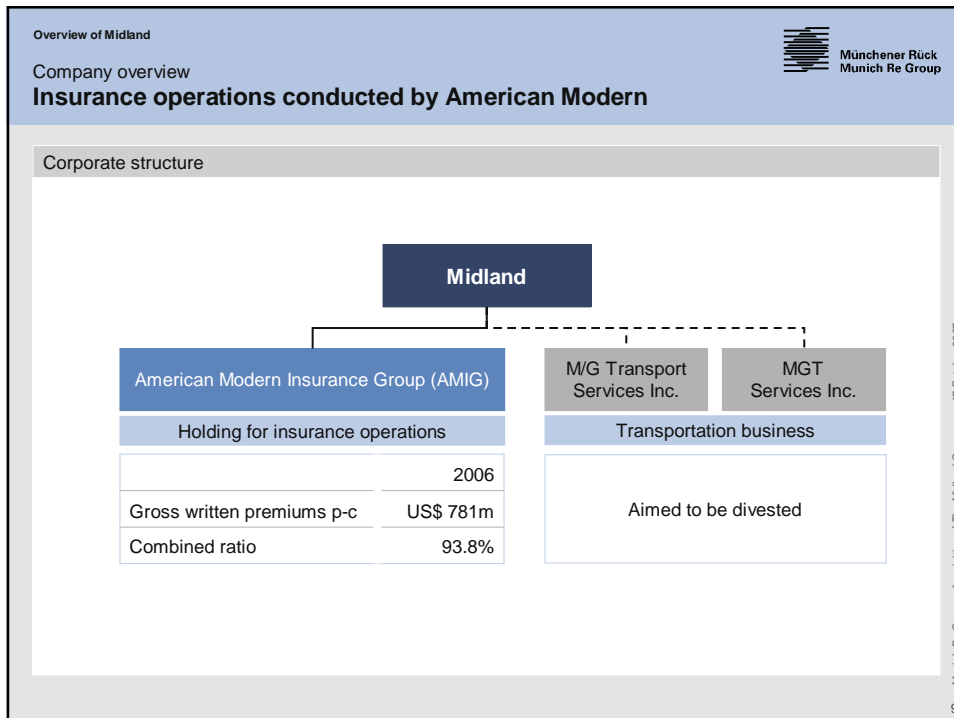
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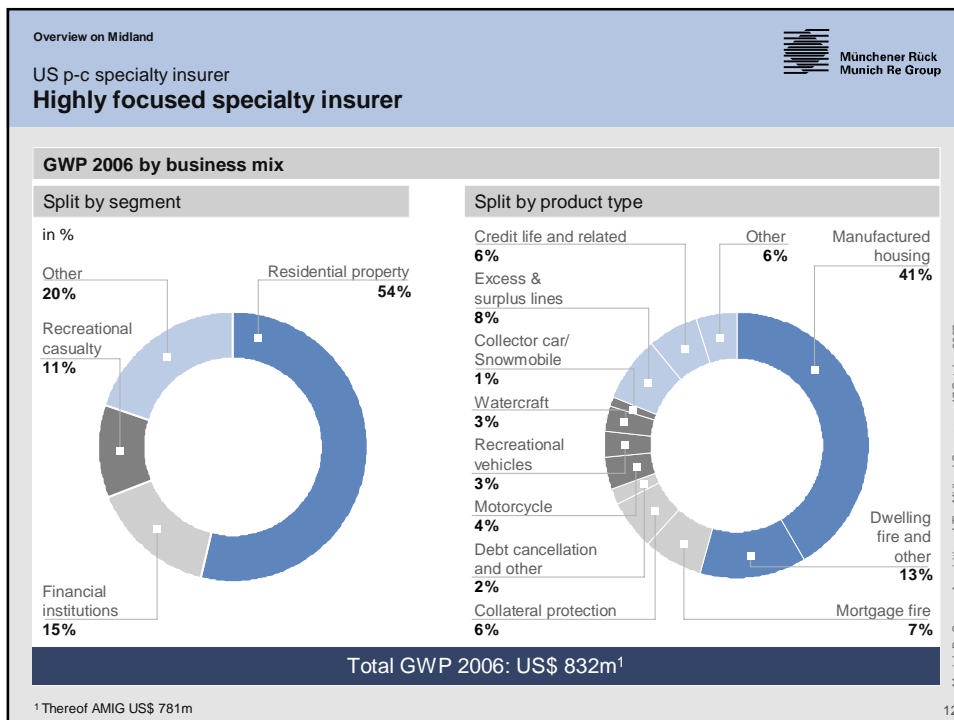
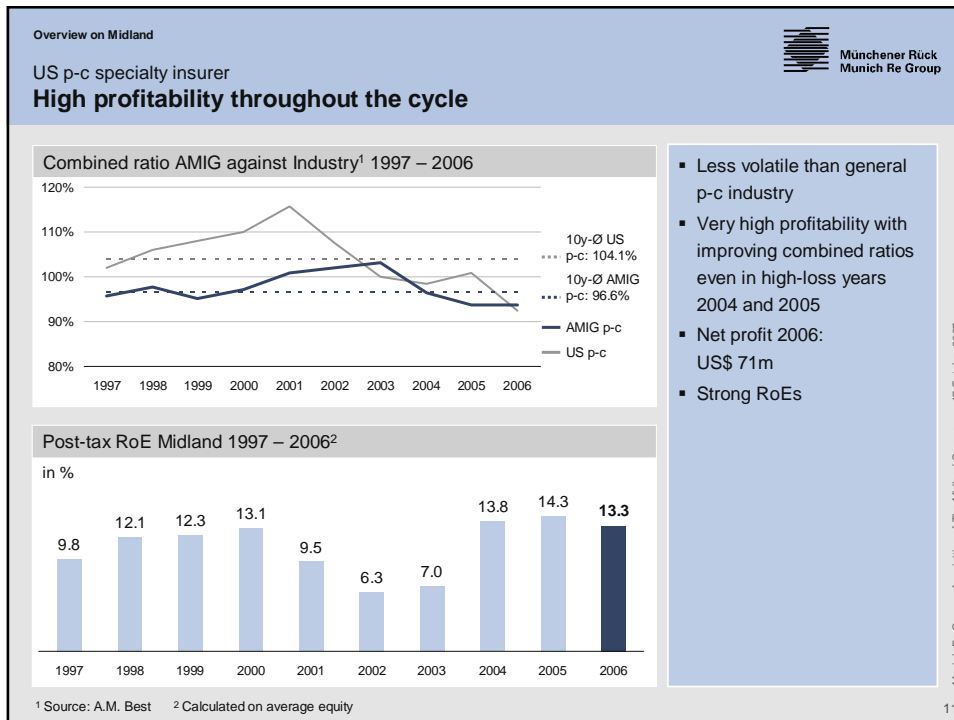


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Overview on Midland Münchener Rück
Munich Re Group

Distribution
Multiple distribution channels to market specialty products

GWP 2006 by distribution channel

Distribution Channel	Percentage
General agents	29%
Financial institutions	23%
PoS	20%
PoS Lender	11%
Independent agents	6%
Specialty agents	5%
All other (incl. Affinity/Strategic Alliance)	6%

Distribution channels

Agency

- Personal line products are marketed through specialty, general and independent agents

Financial Institutions

- Banks and credit unions which place insurance products on behalf of borrowers to insure collateral

Point of Sale – Manufacturers and Dealers

- Distribution of Residential Property Insurance through manufactured housing dealers, vertically integrated manufacturers and specialty agents

Point of Sale – Lender

- Channel for insurance products through financial institutions that provide financing for products that American Modern insures

Affinity/Strategic Alliance

- Provide specialty products to policyholders of other insurance carriers via strategic alliances with standard multi-line insurance companies

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Overview on Midland Münchener Rück
Munich Re Group


Management Team
Talented and strong management team retained

Midland		
Name	Current Position	Director since
John W. Hayden	President & CEO	1991
Joseph P. Hayden III	Chairman & COO	1989
John I. Von Lehman	Executive VP & Secretary	1991
W. Todd Gray	Executive VP & CFO	2006
Paul F. Gelter	Executive VP	2002

AMIG		
Name	Current Position	Joined AMIG in
Elisabeth E. Baldock	VP of HR & Learning	
John G. Campbell	CIO	1999
David D. Cissell	Executive VP of Financial Institutions Division	2004
Michael L. Crain	Senior VP of National Specialty Accounts	
J. Richard Dowd	Executive VP of Sales	2003
Peter J. Effler	Senior VP	2004

- Management team will be retained after closing of transaction
- Management team highly committed to further success of Midland
- Continuity in strong performance achieved by very experienced management team which is dedicated to stay on post closing of the transaction

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Summary


Summary

Solid basis for profitable growth

<p>Attractive target</p>	<ul style="list-style-type: none"> Midland has consistent long-term track-record of superior underwriting leading to above market growth and profitability Large synergy potential with Munich Re America's existing business
<p>Fit into strategy</p>	<ul style="list-style-type: none"> Strategic fit with recently announced U.S. strategy Move into primary niche segments reduces dependency on p-c cycle
<p>Generating value for shareholders</p>	<ul style="list-style-type: none"> Acquisition is EPS accretive for Munich Re shareholders already in 2008 Full commitment to > €8bn capital management program

Midland represents unique opportunity to enhance Munich Re's position in US p-c specialty insurance market segments

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Disclaimer



This report contains forward-looking statements that are based on current assumptions and forecasts of the management of Munich Re. Known and unknown risks, uncertainties and other factors could lead to material differences between the forward-looking statements given here and the actual development, in particular the results, financial situation and performance of our company. The Company assumes no liability to update these forward-looking statements or to conform them to future events or developments.