

ERGO announces acquisition of South Korean insurer Daum Direct

Düsseldorf, 9 December 2007. ERGO Insurance Group, the primary insurance operation of the Munich Re Group, announced today that it has reached an agreement with Daum Communications and LIG Insurance concerning the purchase of a 65% stake in the South Korean mono-line insurer Daum Direct Auto Insurance. LIG Insurance will retain a 25% stake in the company and Daum Communications will remain as a shareholder with a 10% share while LIG Nex1 and GS E&C agreed to sell their entire shares to ERGO. The conclusion of the transaction is subject to regulatory approval.

Daum Direct enjoys a prominent and highly competitive position in the South Korean direct motor market. Daum Direct is the second-largest direct motor insurer with approx. KWON 260 billion (€ 200 million) in premium income in 2007 and a market share of over 15 % in the growing direct market. The company has demonstrated a very respectable track record since the inception of business in 2004. Daum Direct leverages a large customer base and well-known brand name and moreover, also boasts efficient processes and a successful management team.

The acquisition of Daum Direct is an important step in the implementation of ERGO's international strategy towards selected Asian markets. The transaction will provide ERGO with the opportunity of expanding its successful regional presence as well as complementing ERGO's legal expense and health activities in Korea.

Andreas Kleiner, Member of the Board of Management at ERGO International responsible for Asia comments: "We are very pleased with the long term partnership arrangement with Daum Communications and LIG Insurance as co-shareholders and welcome Daum Direct into the ERGO Group. For this transaction it was certainly an important advantage to be part of the Munich Re Group. However, it is also important to stress that there is a clear separation between ERGO and Munich Re on all operational levels and thus there is no conflict of interest between ERGO's primary insurance activities and Munich Re's reinsurance activities in Korea."

William Choi, CEO of Daum Direct, adds: "ERGO has gained access to the attractive South Korean direct motor market and Daum Direct gains a highly respected partner. The company now has all opportunities to keep up its fast but profit-orientated growth of the recent years." The company intends to operate in future under name ERGO Daum Direct Auto Insurance Company Ltd.

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About ERGO

ERGO is the primary insurance entity of Munich Re Group, one of the world's leading risk carriers. ERGO is one of the largest insurance groups in Europe and Germany and is Europe's market leader in health and legal protection insurance. 33 million clients in 25 countries place their trust in the services, competence and security it provides. In the business year 2006, ERGO Insurance Group had gross premiums written of € 16.8 billion and a consolidated result of € 906 million.