

ERGO reorganises Italian activities – merger of ERGO Previdenza and tender offer to minority shareholders

Düsseldorf, 12 September 2008. The ERGO Group starts a restructuring process in Italy including a merger of ERGO Previdenza S.p.A. In addition, the holding company ERGO Italia S.p.A. launches a complete voluntary tender offer on the remaining 29.65 percent ordinary shares of Milan-based life insurer ERGO Previdenza not yet owned.

The Boards of Directors of ERGO Italia and ERGO Previdenza yesterday discussed and approved the guidelines of an Italian group restructuring plan which aims at increasing the efficiency of the ERGO companies in Italy. In the recent months, an extensive analysis of the options for the future course of the company had been conducted. The results of ERGO Previdenza regarding new business profitability and growth were not deemed satisfactory. The new strategy comprises a clear focus on new business profitability, strict cost control and hence a comprehensive restructuring of the companies.

To this purpose, it is foreseen that ERGO Previdenza will be merged with ERGO Italia and/or another company of the group to improve the integration of ERGO Previdenza within the Italian group. This will reduce complexity, simplify internal procedures and create synergies.

Prior to implementing the merger, ERGO Italia launches a tender offer on all the ordinary shares ERGO Previdenza for the price of Euro 4.40 per share. The offer price represents a premium of 11 percent over yesterday's stock price and of 22 percent over the three month and of 13 percent over the six month average price. Thus minority shareholders, who do not wish to participate in the restructuring transaction, get the opportunity to exit at favourable conditions. The offer aims at obtaining the delisting of the shares of ERGO Previdenza from the stock exchange. The offer period is expected to begin in the second half of October and will probably last for 25 trading days.

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About the ERGO Insurance Group

With premium income amounting to over € 17 billion, ERGO is one of the major insurance groups in Europe. Worldwide, ERGO is represented in 26 countries in Europe and Asia. In Europe, ERGO is the No. 1 in the health and legal expenses insurance segments. Within her home market of Germany, ERGO is among the market leaders across all the different insurance segments. 34 million customers currently place their trust in the services, expertise and security provided by ERGO and its companies. In Germany, 15 million clients place their faith in the strong brands of D.A.S., DKV Deutsche Krankenversicherung, Hamburg-Mannheimer, KarstadtQuelle Insurance and Victoria. Over 50,000 people work full-time for the ERGO Group, either as salaried employees or as self-employed sales representatives. Majority shareholder with a share of 94.7% in ERGO is Munich Re, one of the worldwide leading risk carriers. Further up-to-date information on the ERGO Insurance Group can be found at www.ergo.com.