



## **ERGO Versicherungsgruppe AG / Disclosure of an announcement according to article 37 WpHG**

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### **INTERIM ANNOUNCEMENT OF THE GROUP WITHIN THE 1ST HALF-YEAR 2009**

#### **Write-downs of goodwill and interest-rate hedges impact ERGO's first quarter result**

In the first quarter of 2009, results of the ERGO Insurance Group still suffered from the effects of the financial crisis. Especially the balance of gains and losses on disposals and of write-ups and write-downs which was lower than in the first quarter of last year put a strain on results. In the first quarter, the rise in interest rates and the decline in volatilities compared with the end of 2008 led to impairments among the derivatives which ERGO uses to hedge against a prolonged low-interest period in life insurance. From an economic point of view, these are positive developments which will improve long-term results. The consolidated Group result amounted to €-97 (151) million, mainly affected by further write-downs on goodwill of € 85 (-) million.

In the first quarter, the investment result amounted to € 698 (677) million, a slight increase of 3.2% compared to previous year's low level. At € -291 (-137) million, the balance of gains and losses on disposals and of write-ups and write-downs overall declined compared to the previous year's first quarter. Regular income totalled € 1.12 (1.11) billion and thus recorded a rise compared to the previous year, primarily caused by increased investments in fixed-interest securities and loans.

Total premium income rose across all segments by 6.2%, totalling € 5.0 (4.7) billion. Growth mainly derived from ERGO's international business. Due to the first-time application of IFRS 8, the segments Life Germany, Health, Non-Life Germany, Direct Insurance and International Operations will in future be shown as individual segments.

In the first quarter of 2009, the companies of the Life Germany segment earned total premiums of € 1.21 (1.25) billion, a decline of 3.4 %. In the Health segment, premium income in the first three months of 2009 went up by 11.8 % to € 1.5 (1.4) billion. This reflects the integration of Europäische Reiseversicherung and Mercur Assistance at the beginning of the year. Adjusted for the acquisition, premiums would have increased by 3.5 % to € 1.41 (1.37) billion. At € 1.11 (1.12) billion, premium income in the Non-Life Germany segment remained below previous year's level by 1.0 %. Total premium income in the Direct Insurance segment rose from January to March by 11.9 % to € 304 (271) million. In the International Operations segment, total premiums increased strongly by 19.7 % and totalled € 920 (768) million.

Total premium income for 2009 is expected to lie within a range of € 18.5 to 19.5 billion.

Düsseldorf, May 2009

The Board of Management