



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

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### **INTERIM ANNOUNCEMENT IN THE SECOND HALF 2008**

The ERGO Insurance Group recorded an operating result of € 601 (879) million (-31.6 %) for the first three quarters of 2008. The consolidated Group result after taxes amounted to € 300 (701) million (-57.1 %). Whereas the results of the previous two years had been marked by above-average investment results, the first nine months of 2008 were strongly influenced by the turbulences on capital markets. In addition, the third quarter of the previous year had included a positive tax effect of € 120 million due to the German corporate tax reform in 2008. From a technical perspective, business in the first three quarters of the financial year was very good.

Since the beginning of the year 2008, total premium income across all business segments rose by 2.7 % to € 13.1 (12.8) billion. In international business in particular, ERGO attained significant growth of 12.9 % across all segments. In domestic business, total premiums virtually remained at previous year's level and amounted to € 10.06 (10.07) billion.

At € 2.0 (4.5) billion, the investment result dropped considerably compared to the excellent previous year (-55.7 %). The balance from disposal gains and losses as well as from write-ups and write-downs reflected the negative trend on capital markets. Despite ERGO's cautious and risk-sensitive investment policy, substantial write-downs became necessary. This was mitigated by write-ups on derivatives which were bought for hedging purposes. The disposal gains clearly fell behind previous year's figures which had been influenced by extraordinarily high disposal gains from share and real estate disposals. The balance from disposal gains and losses as well as from write-ups and write-downs declined to € -1.15 billion following € +1.07 billion in the first three quarters of 2007.

In non-life insurance, the combined ratio improved to an excellent 89.8 (92.9) %. In the previous year, the winter storm Kyrill had had a negative impact on the loss ratio. However, during the period on review a number of local natural events such as the storms Emma and Hilal all in all put a similar strain on the net loss ratio as had been caused by Kyrill in the previous year. Total operating expenses (net) decreased by 6.9 %, mainly due to acquisition costs. Administration expenses (gross) were also reduced, namely by 1.8 %.

Due to the current highly volatile situation on capital markets, it is virtually impossible to give a valid forecast on the annual profit. Total premium income in 2008 is expected to rise by 3 to 4.5 % and reach an amount of approximately € 18 billion.

Düsseldorf, in November 2008

The Board of Management