



Paris, 18 January 2007

## **PRESS RELEASE**

The Board of Directors of AGF met yesterday under the chairmanship of Mr Jean-Philippe Thierry to examine the principal terms and conditions of the proposed offer of cash and shares that Allianz intends to launch on the shares of AGF between now and the end of February.

The Board's opinion of the transaction was favourable. The transaction would enable AGF and its employees to benefit further from the strength and resources of the Allianz group and its customers to gain full access to the expertise and scale of Europe's leading integrated insurance and financial services group.

Under the Allianz offer, AGF shareholders would receive €87.5 in cash plus 0.25 Allianz SE shares for each AGF share. Based on Allianz SE's closing price on 16 January 2007, the offer would be valued at €126.43 per AGF share.

The Board of Directors of AGF has performed an initial examination of the proposed offer, with assistance from its advisors. The Board reacted favourably to the terms, which would enable AGF shareholders to receive a large cash component while remaining invested in the insurance sector as shareholders of a larger group. The AGF Board noted that the terms of the proposed offer represent a premium of 9.4% over the average of share prices over the last three months, weighted by volume, and of 19.1% over the average of the last six months. The AGF share appreciated sharply in 2005 and 2006.

It was also indicated that after the offer closes, Allianz proposes either to launch a mandatory withdrawal procedure or effect a merger between the top-level holding companies of the AGF and Allianz SE groups.

AGF does not intend nor does it believe it has an obligation to launch an offer on Euler Hermes. AGF holds 70.61% of Euler Hermes and does not consider it an essential asset. Allianz SE has confirmed to AGF that it has no intention of launching an offer on Euler Hermes.

Pursuant to Article 261-1 of the AMF General Regulation, the Board of Directors has hired an independent expert, Ricol Lasteyrie. The Board will render its opinion and the reasons underlying it before the offer opens and after receiving the opinion of the independent expert.

AGF investor contacts:

Vincent Foucart 33 (0)1 44 86 29 28  
vincent.foucart@agf.fr  
Jean-Yves Icole 33 (0)1 44 86 44 19  
jean-yves.icole@agf.fr  
Alexandre Cardinaud 33 (0)1 44 86 37 64  
Alexandre.cardinaud@agf.fr

AGF press contacts:

Bérangère Auguste-Dormeuil 33 (0)1 44 86 78 97  
augusbe@agf.fr  
Anne-Sandrine Cimatti 33 (0)1 44 86 6745  
cimatti@agf.fr  
Agnès Miclo 33 (0)1 44 86 31 62  
micloa@agf.fr  
Sophie Cadorel 33 (0)1 44 86 38 09  
cadores@agf.fr

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The matters discussed in this release may also involve risks and uncertainties described from time to time in Allianz AG's filings with the U.S. Securities and Exchange Commission. Allianz AG assumes no obligation to update any forward-looking information contained in this release.