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**PRESS RELEASE**

**FILING OF THE DRAFT RESPONSE OFFER DOCUMENT PREPARED BY**



**IN THE CONTEXT OF**

**THE PROPOSED SIMPLIFIED CASH TENDER OFFER  
FOLLOWED BY A SQUEEZE-OUT  
FOR THE SHARES OF EULER HERMES GROUP**

**INITIATED BY**



This press release has been prepared and disseminated in accordance with the provisions of article 231-26 of the General Regulation of the French Financial Markets Authority (*Autorité des marchés financiers*, the “AMF”).

**The proposed offer, the draft offer document and the draft response offer document remain subject to approval by the AMF.**

The draft response offer document (the “**Draft Response Offer Document**”) is available on the websites of Euler Hermes Group ([www.fr.eulerhermes.com](http://www.fr.eulerhermes.com)) and of the AMF ([www.amf-france.org](http://www.amf-france.org)). It is made available to the public free of charge at the registered office of Euler Hermes Group (1 place des Saisons, 92048 Paris-La Défense Cedex, France) and may be obtained free of charge by any person who requests it.

In accordance with the provisions of Article 231-28 of the General Regulation of the AMF, the "Other information" document relating in particular to the legal, financial and accounting information of Euler Hermes Group (*document “Autres informations”*) will be filed with the AMF and made available to the public no later than the day preceding the opening of the simplified cash tender offer. A press release will be disseminated in order to inform the public of the manner in which such document will be made available.

## 1. PRESENTATION OF THE OFFER

Pursuant to Title III of Book II, and in particular the provisions of Articles 233-1 *et seq.* of the AMF General Regulation, Allianz SE, a European company organized under the laws of Germany, having its registered office at Koeniginstrasse 28, 80802 Munich, Germany, registered with the Commercial Register of the local court of Munich under number HRB 164232 (the "**Offeror**"), irrevocably offers the shareholders of Euler Hermes Group, a public limited company (*société anonyme*) governed by French law having its registered office at 1 place des Saisons, 92048 Paris-La Défense Cedex, France, registered with the Trade and Companies Registry of Nanterre under number 552 040 594, and of which the shares are listed on Compartment A of the Euronext Paris regulated market under ISIN Code FR 0004254035 ("**Euler Hermes**" or the "**Company**"), to purchase all of their Company shares at a price of EUR 122 per share (the "**Offer**").

Pursuant to Article 231-6 of the AMF General Regulation, the Offer covers all of the existing shares of the Company not held by the Offeror (acting alone or in concert, directly or indirectly through the companies it controls), except for the 619,189 treasury shares of the Company (that the Supervisory Board decided not to tender into the Offer on March 21, 2018), *i.e.*, a total maximum number of 1,998,131 shares representing, as of the date of the filing of the Draft Response Offer Document, 4.69% of the share capital and theoretical voting rights of the Company<sup>1</sup>.

The Offer, which will be immediately followed by a squeeze-out procedure (*retrait obligatoire*) pursuant to the provisions of Articles L. 433-4 III of the French Monetary and Financial Code and 237-14 *et seq.* of the AMF General Regulation (the "**Squeeze-Out**")<sup>2</sup>, will be made under the simplified procedure in accordance with Article 233-1 *et seq.* of the AMF General Regulation. The Offer will be open for a period of ten trading days.

The Offer is not subject to any condition providing for a minimum number of shares to be tendered in order for it to have a positive outcome. In addition, the Offer is not subject to any authorization with regard to merger control or regulatory authorizations.

In accordance with the provisions of Article 231-13, I of the AMF General Regulation, Rothschild Martin Maurel and Société Générale, acting as presenting banks for the Offer on behalf of the Offeror, filed the Offer and the Offeror's draft offer document with the AMF on March 21, 2018. It is specified that only Société Générale guarantees the content and irrevocable nature of the commitments of the Offeror in connection with the Offer.

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<sup>1</sup> Unless otherwise specified, the percentages of share capital and voting rights held in the Company mentioned in this press release are calculated based on the total number of shares and theoretical voting rights (*i.e.*, voting rights calculated taking into account the voting rights attached to treasury shares, which are deprived of voting rights, pursuant to the provisions of Article 223-11 of the AMF General Regulation) of the Company as of the date of the filing of the Draft Response Offer Document, *i.e.*, 42,641,635 shares and the same number of theoretical voting rights.

<sup>2</sup> Please refer to Section 1 of the Offeror's draft offer document and Section 1.3.1 of the Draft Response Offer Document. It is specified that the conditions for the implementation of a Squeeze-Out are already met as the shares held by minority shareholders (*i.e.*, without taking into account the treasury shares of the Company) represent, on the date of the filing of the Draft Response Offer Document and to the Company's knowledge, less than 5% of the share capital and voting rights of the Company. It is also specified that the implementation of a Squeeze-Out will result in the delisting (*retrait de la cote*) of the shares of the Company from Euronext Paris.

## **2. REASONED OPINION OF THE SUPERVISORY BOARD REGARDING THE OFFER**

In accordance with the provisions of Article 231-19 of the AMF General Regulation, the Supervisory Board of the Company convened on March 21, 2018 in order to review the proposed Offer and issue a reasoned opinion regarding the merits of the Offer for the Company, its shareholders and its employees.

At the time, the Supervisory Board was made up of the following members:

- Mr. Axel Theis, Chairman of the Supervisory Board;
- Mrs. Brigitte Bovermann, Vice-Chairman of the Supervisory Board and member of the Audit, Risk and Compliance Committee and of the Nomination and Remuneration Committee;
- Mrs. Ümit Boyner, independent member of the Supervisory Board;
- Mr. Philippe Carli, independent member of the Supervisory Board and Chairman of the Audit, Risk and Compliance Committee;
- Mr. Nicolas Dufourcq, independent member of the Supervisory Board;
- Mr. Ramon Fernandez, independent member of the Supervisory Board and of the Nomination and Remuneration Committee;
- Mrs. Maria Garaña, independent member of the Supervisory Board;
- Mrs. Marita Kraemer, member of the Supervisory Board;
- Mr. Thomas-Bernd Quaas, independent member of the Supervisory Board and of the Audit, Risk and Compliance Committee, and Chairman of the Nomination and Remuneration Committee;
- Mr. Jacques Richier, member of the Supervisory Board.

All of the members of the Supervisory Board were present or represented, except for Mrs. Maria Garaña and Mr. Jacques Richier, absent and excused.

The following reasoned opinion was unanimously adopted by the independent members of the Supervisory Board present or represented, with the other members not taking part in the vote:

*“Mr. Axel Theis reminds the members of the Supervisory Board that during the meeting held on February 28, 2018, the independent members of the Supervisory Board decided, in the context of the Offer initiated by Allianz, to re-establish an ad hoc committee made up exclusively of independent members, namely, Mr. Philippe Carli (as Chairman), Mr. Thomas-Bernd Quaas and Mr. Ramon Fernandez. As a reminder, this ad hoc committee had already been set up in the context of the initial simplified cash tender offer of the Allianz group for the shares of the Company which was open between January 15, 2018 and February 13, 2018 (the "Initial Offer").*

*Mr. Axel Theis invites the Chairman of the ad hoc committee to chair the meeting, which Mr. Philippe Carli accepts.*

*Prior to the meeting, the members of the Supervisory Board received in particular a copy of:*

- *The draft offer document of Allianz SE (the "Offeror"), which in particular contains the reasons for the Offer and its terms and conditions, the intentions of the Offeror and the items serving as a basis for the assessment of the price of the Offer prepared by Rothschild Martin Maurel and Société Générale, acting as presenting banks for the Offer (the "Draft Offer Document");*
- *The draft response offer document of the Company (the "Draft Response Offer Document");*
- *The further fairness opinion (attestation complémentaire) drawn up by Finexsi, appointed as independent expert (the "Independent Expert"), regarding the financial conditions of the Offer and the Squeeze-Out.*

*Mr. Philippe Carli informs the members of the Supervisory Board that they have been convened, in particular, in order to review the proposed Offer which is expected to be filed by the Offeror with the French Financial Markets Authority (Autorité des marchés financiers, the "AMF") on this day.*

*Mr. Philippe Carli recalls that following the Initial Offer (at a price of 122 euros per share), the aggregate shareholding of the Allianz group in the share capital of the Company has been increased to 39,411,562 shares representing 92.43% of the share capital and theoretical voting rights of the Company.*

*Mr. Philippe Carli also recalls that following the Initial Offer, the Allianz group acquired on the market at a price of 122 euros per share 612,753 shares representing 1.44% of the share capital and theoretical voting rights of the Company (the "Additional Acquisitions").*

*Lastly, Mr. Philippe Carli recalls that as a result of the Initial Offer and the Additional Acquisitions, the Allianz group currently holds 40,024,315 Company shares representing 93.86% of the share capital and theoretical voting rights of the Company. Thus, minority shareholders (i.e., without taking into account the 619,189 treasury shares of the Company) currently hold 1,998,131 shares representing 4.69% of the share capital and theoretical voting rights of the Company.*

*Mr. Philippe Carli then reminds the members of the Supervisory Board of the main terms of the proposed Offer:*

- *The Offer provides for a price of 122 euros per Company share, such price remaining unchanged compared to the price paid by the Offeror as part of the Initial Offer and the Additional Acquisitions. It represents a premium of +20.7% over the closing price on November 24, 2017 (i.e., the day prior to the announcement of the Initial Offer), and of +22.9%, +22.2% and +30.8% respectively, over the three, six and twelve-month volume weighted average share prices as of the same date. The Offer price exceeds the price objectives of analysts covering the Company as of the same date;*
- *The Offer covers all of the existing shares of the Company that are not held by the Offeror (directly or indirectly, alone or in concert), except for the 619,189 treasury shares held by the Company;*
- *The Offeror has announced its intention to implement a Squeeze-Out immediately following the Offer, it being specified that the conditions for the implementation of the Squeeze-Out are already met as the shares held by minority shareholders (i.e., without taking into account the treasury shares held by the Company) represent less than 5% of the share capital and voting rights of the Company. The implementation of the Squeeze-Out will result in the delisting (retrait de la cote) of the Company shares from Euronext Paris.*

*Mr. Philippe Carli informs the members of the Supervisory Board that pursuant to the provisions of Article 231-19 of the AMF General Regulation, the Supervisory Board is required to issue a reasoned opinion regarding the consequences of the Offer for the Company, its shareholders and its employees.*

*A. The Supervisory Board acknowledges the intentions of the Offeror set forth in the Draft Offer Document and examines the consequences of the Offer for the Company.*

*In this regard, the Supervisory Board notes that:*

- The Draft Offer Document states that "[s]ince Euler Hermes is already being part of the Allianz group, the Offeror does not anticipate, as a result of the Offer, any change in the industrial and financial policy and strategic orientations currently implemented by Euler Hermes, beyond ordinary course of business";*
- The Draft Offer Document also states that "as the Offer, which will be immediately followed by a Squeeze-Out, will result in the delisting of the shares of the Company from Euronext Paris, changes in the legal form and in the composition of corporate bodies of the Company could be contemplated"; and*
- the Offeror has announced its intention to implement a Squeeze-Out and to have the shares of the Company delisted immediately following the Offer, it being noted that the conditions for the implementation of the Squeeze-Out are already met. As a result of the delisting of the shares of the Company from Euronext Paris, the Offer followed by the Squeeze-Out will allow the Company to be released from regulatory and administrative constraints related to the admission of its shares to trading and, therefore, to reduce the related costs. Such operation would also allow to simplify the functioning of the Company in the future.*

*B. The Supervisory Board then examines the consequences of the Offer for the shareholders of the Company.*

*Mr. Philippe Carli reminds the members of the Supervisory Board that during its meeting held on February 28, 2018, the Supervisory Board, pursuant to the provisions of Articles 261-1, I and II of the AMF General Regulation, appointed Finexsi, represented by Mr. Olivier Péronnet, as Independent Expert, it being specified that only the independent members of the Supervisory Board took part in the vote.*

*Mr. Philippe Carli further reminds the members of the Supervisory Board that the mission of the Independent Expert involved drawing up a further fairness opinion regarding the financial conditions of the Offer and the Squeeze-Out, pursuant to the provisions of Articles 261-1 et seq. of the AMF General Regulation.*

*Mr. Philippe Carli indicates that the Independent Expert has submitted its further fairness opinion to the members of the Supervisory Board, and invites the Independent Expert to present the findings of its further fairness opinion to the Supervisory Board.*

*The Supervisory Board acknowledges the findings of the Independent Expert which state that "the Offer price and planned compensation within the framework of the squeeze-out of €122.0 per share offered are each fair from a financial point of view for the shareholders of Euler Hermes".*

*C. The Supervisory Board reviews the consequences of the Offer for the employees of the Company.*

*In this regard, the Supervisory Board notes that the Draft Offer Document confirms that:*

- *Since Euler Hermes is already part of the Allianz group, the Offeror does not expect, as a result of the Offer, any particular impact on the Euler Hermes group’s workforce, employment policy or human resources relationships; and*
- *Allianz intends to maintain Euler Hermes’ operational headquarters in France.*

*D. Mr. Philippe Carli, as Chairman of the ad hoc committee, shares the observations of the ad hoc committee and the latter's recommendation regarding the Offer with the Supervisory Board.*

*Mr. Philippe Carli indicates that, prior to the meeting of the Supervisory Board held on this day, the ad hoc committee has ensured that the Independent Expert has been provided with all of the relevant information required for the completion of its mission, and that it was able to carry out its work in satisfactory conditions.*

*The ad hoc committee met with the Independent Expert on March 20, 2018 in order to review the terms of the Offer and issue a recommendation based, in particular, on the Draft Offer Document and on the draft further fairness opinion of the Independent Expert.*

*The ad hoc committee in particular notes the following:*

- *the Offer provides for the same conditions as those that were deemed favorable by the Supervisory Board in the context of the Initial Offer, and its price is identical to that of the Additional Acquisitions;*
- *the price of the Offer has been considered as fair by the Independent Expert.*

*Having concluded its work, the ad hoc committee unanimously recommends to the Supervisory Board to find that the Offer is in the interest of the Company, its shareholders and its employees, and to recommend to the shareholders of the Company that they tender their shares into the Offer.*

*E. The Supervisory Board takes note of the observations of the ad hoc committee and of the favorable opinion of the latter regarding the Offer as well as of the findings of the Independent Expert.*

*The Supervisory Board acknowledges that:*

- *the Offer offers liquidity to minority shareholders under conditions which are identical to those of the Initial Offer and the Additional Acquisitions;*
- *the Offeror has announced its intention to implement a Squeeze-Out and delist the shares of the Company immediately following the Offer, it being noted that the conditions for the implementation of the Squeeze-Out are already met;*
- *as a result, the Offer, fully in cash, allows the minority shareholders of the Company to benefit from immediate and full liquidity under favorable price conditions.*

*F. Mr. Philippe Carli informs the members of the Supervisory Board that the Supervisory Board is to decide whether the 619,189 treasury shares, representing 1.45% of the share capital and theoretical voting rights of the Company, will be tendered into the Offer. As a reminder, it had been decided that they would not be tendered into the Initial Offer as it would have generated a significant capital gain taxable in the hands of the Company, and would therefore have had an adverse tax impact. The analysis remains unchanged in the event that the treasury shares were to be tendered into the Offer.*

G. *The Supervisory Board acknowledges that the Offeror has announced its intention to implement a Squeeze-Out and to have the shares of the Company delisted immediately following the Offer, it being noted that the conditions for the implementation of the Squeeze-Out are already met.*

*Consequently, the Supervisory Board notes that the RSUs currently vesting will be immediately vested by their beneficiaries, without taking into account the remaining applicable vesting periods, and each RSU will entitle its beneficiary to the payment of a sum of money equal to the average share price of the Company share at the time of the delisting in accordance with the terms and conditions of the RSUs.*

*The terms and conditions of the RSUs are described in Section 7.9 of the Draft Response Offer Document.*

H. *The members of the Supervisory Board recall that they have tendered the shares of the Company that they held into the Initial Offer and that they no longer hold any Company share.*

*Following this presentation, discussions ensue.*

*After discussion and prior to voting, Mr. Philippe Carli reminds the members of the Supervisory Board that during the meeting held on February 28, 2018, in accordance with best governance practices and the Charter of the Members of the Supervisory Board, the non-independent members of the Supervisory Board undertook to abstain from voting on decisions relating to the Offer and the review and assessment of the Offer.*

*On the basis of the foregoing, the Supervisory Board, by a unanimous vote of its independent members present or represented, with its other members not taking part in the vote:*

- considers that the Offer is in the interest of the Company, of its shareholders to which it offers immediate and full liquidity under favorable price conditions, and its employees, and accordingly, issues a favorable opinion regarding the Offer and recommends to the shareholders of the Company that they tender their shares into the Offer;*
- decides that the 619,189 treasury shares, representing 1.45% of the share capital and theoretical voting rights of the Company, will not be tendered into the Offer;*
- approves the Draft Response Offer Document which was submitted to it, and grants full authority and power to the Chairman of the Board of Management, with the option to delegate, for the purposes of finalizing such document and filing it with the AMF;*
- grants full authority and power to the Chairman of the Board of Management, with the option to delegate, in order to (i) sign any document relating to the Draft Response Offer Document and to prepare and file with the AMF the document entitled "Other information relating in particular to the legal, financial and accounting characteristics of the Company", (ii) sign any statements required as part of the Offer, and (iii) more generally, take any necessary steps required for the successful completion of the Offer (including the dissemination of any press release required by applicable regulations)."*

### **3. FURTHER FAIRNESS OPINION OF THE INDEPENDENT EXPERT REGARDING THE OFFER AND THE SUBSEQUENT SQUEEZE-OUT**

Pursuant to the provisions of Article 261-1, I and II of the AMF General Regulation, the Supervisory Board of the Company, on February 28, 2018, by a unanimous vote of its independent members, appointed the firm Finexsi, 14 rue de Bassano, 75116 Paris, to act as independent expert, in order to

draw up a further fairness opinion (*attestation complémentaire*) regarding the financial terms of the Offer followed by the Squeeze-Out.

The findings of Finexsi' further fairness opinion dated March 21, 2018 are the following:

*“The Offer, followed by a squeeze-out, is available to minority shareholders for a price of €122,0 per Euler Hermes share, a price which is strictly identical to the definite fixed price for the acquisition prior to the Initial Offer, of the block shares representing 11.34% of the share capital, completed on 27 November 2017, as well as other acquisitions made by Allianz since this date.*

*The Offer price offers shareholders liquidity of their shares at a premium price of 20.7% compared to the closing market price prior to the Initial Offer announcement and 22.9% compared to the average share price on the 60 days prior to the announcement, given that the price has never reached the Offer price over the two years preceding the Initial Offer.*

*In addition, the Offer price is above the intrinsic values derived from the DDM, based on the management business plan, and therefore give the full value without having to bear the risks attached to the realization of these forecasts. Compared to the central value of the DDM method (€106.9), the Offer price represents a premium of 14.1%.*

*It should also be noted that the offered price represents significant premium compared to the results of each of the criteria set out in this report, with premiums of between 30.9% to 65.6% compared to the value derived from the trading multiples, between 1.2% and 25.4% compared to the value derived from the comparable transactions and between 15.1% and 37.1% compared to the value derived from the average brokers' target price published prior to the Initial Offer, which generally reflect higher values.*

*Furthermore, to our knowledge, there is no agreement related to the Offer that may undermine the fair treatment of the shareholders from a financial point of view.*

*In this context and on this basis, we are of the opinion that the Offer price and planned compensation within the framework of the squeeze-out of €122.0 per share offered are each fair from a financial point of view for the shareholders of Euler Hermes.”*

The further fairness opinion drawn up by Finexsi regarding the Offer followed by the Squeeze-Out, dated March 21, 2018, on the basis of which the Supervisory Board issued its reasoned opinion regarding the Offer, is reproduced in the Draft Response Offer Document.

#### **4. INTENTIONS OF THE MEMBERS OF THE SUPERVISORY BOARD**

To the Company's knowledge, the members of the Supervisory Board have tendered the shares of the Company that they held into the Offeror's simplified cash tender offer for the shares of the Company which was cleared (*déclarée conforme*) by the AMF on January 11, 2018 and open between January 15, 2018 to February 13, 2018<sup>3</sup> and no longer hold any Company shares.

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<sup>3</sup> D&I No. 218C0086 of the AMF dated January 11, 2018. The terms and conditions of this offer are described in the Offeror's offer document (*note d'information*), on which the AMF affixed visa No. 18-010 dated January 11, 2018, and in the Company's response offer document (*note en réponse*), on which the AMF affixed visa No. 18-011 dated January 11, 2018.

## 5. INTENTIONS OF THE COMPANY REGARDING TREASURY SHARES

During its meeting held on March 21, 2018, the Supervisory Board decided that given in particular the negative tax impact of the tender of the treasury shares for the Company into the Offer, the 619,189 treasury shares of the Company, representing 1.45% of the share capital and theoretical voting rights of the Company, will not be tendered into the Offer.

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*This press release is not an offer to purchase securities. The offer will be made only pursuant to the offer documentation which will contain the full terms and conditions of the offer. The offer documentation will be subject to review by the AMF and the offer will only be opened once the AMF has granted its clearance. Any decision in respect of the offer should be made only on the basis of the information contained in such offer documentation.*

*This press release was prepared for informational purpose only. The diffusion of this press release, the offer and its acceptance may be subject to specific regulations or restrictions in certain countries. The offer is not made for persons subject to such restrictions, neither directly nor indirectly, and may not be accepted in any way from a country where the offer would be subject to such restrictions. Consequently, persons in possession of this press release shall inquire about potential applicable local restrictions and comply with them.*

*Euler Hermes Group excludes all liability in the event of any breach of the applicable legal restrictions by any person.*

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**Euler Hermes** is the global leader in trade credit insurance and a recognized specialist in the areas of bonding, guarantees and collections. With more than 100 years of experience, the company offers business-to-business (B2B) clients financial services to support cash and trade receivables management. Its proprietary intelligence network tracks and analyzes daily changes in corporate solvency among small, medium and multinational companies active in markets representing 92% of global GDP. Headquartered in Paris, the company is present in 52 countries with 6,050+ employees. Euler Hermes is a subsidiary of Allianz, listed on Euronext Paris (ELE.PA) and rated AA by Standard & Poor's and Dagong Europe. The company posted a consolidated turnover of €2.6 billion in 2017 and insured global business transactions for €894 billion in exposure at the end of 2017. Further information: [www.fr.eulerhermes.com](http://www.fr.eulerhermes.com), [LinkedIn](#) or Twitter [@eulerhermes](#).

Cautionary note regarding forward-looking statements: The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Euler Hermes Group's core business and core markets, (ii) performance of financial markets, including emerging markets, and including market volatility, liquidity and credit events (iii) the frequency and severity of insured loss events, including from natural catastrophes and including the development of loss expenses, (iv) persistency levels, (v) the extent of credit defaults, (vi) interest rate levels, (vii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (viii) changing levels of competition, (ix) changes in laws and regulations, including monetary convergence and the European Monetary Union, (x) changes in the policies of central banks and/or foreign governments, (xi) the impact of acquisitions, including related integration issues, (xii) reorganization measures, and (xiii) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences. The company assumes no obligation to update any forward-looking statement.