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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  
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 website of Euler Hermes Group ([www.fr.eulerhermes.com](http://www.fr.eulerhermes.com)) and on the website 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 French Financial Markets Authority, 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 targets 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 treasury shares of the Company<sup>1</sup> (that the Supervisory Board decided not to tender into the offer on December 21, 2017), *i.e.*, a total maximum number of 10,320,680 shares<sup>2</sup> representing, as of the date of the filing of the Draft Response Offer Document, 24.20% of the share capital and theoretical voting rights of the Company<sup>3</sup>.

The Offer, which would be followed, as the case may be, by a squeeze-out procedure 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, 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 twenty-two 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 proposed Offer and the draft offer document with the AMF on December 21, 2017. It is specified that only Société Générale guarantees the content and irrevocable nature of the commitments of the Offeror in connection with the Offer.

## 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 December 21, 2017 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:

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<sup>1</sup> As of November 30, 2017, the Company held 619,189 treasury shares.

<sup>2</sup> Including 800 Company shares held by the company Investitori SGR S.p.a. on behalf of its clients.

<sup>3</sup> 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) as of November 30, 2017, *i.e.*, 42,641,635 shares and the same number of voting rights.

- 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 (absent but represented);
- 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.

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

*“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 report drawn up by Finexsi, appointed as independent expert (the "Independent Expert"), regarding the financial conditions of the Offer followed, as the case may be, by a squeeze-out;*
- *The valuation report of BNP Paribas, financial advisor of the Company in the context of the Offer.*

*Mr. Philippe Carli informs the members of the Supervisory Board that they have been convened, in particular, in order to review the 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 reminds the members of the Supervisory Board that on November 24, 2017, the Offeror, through a company it controls, entered into agreements with shareholders (not part of the Allianz group) for the acquisition of 11.34% of the share capital and theoretical voting rights of the Company for a price identical to that offered to the shareholders of the Company as part of the Offer, without any earn-out or top-up (the "Blocks Acquisition"). Following the Blocks Acquisition, the Offeror holds, both directly and indirectly, 31,702,566 shares of the Company representing 74.35% 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 EUR 122 euros per Company share. The price offered to the minority shareholders as part of the Offer represents a premium of +20.7% over the closing price on November 24, 2017, 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), subject to the exceptions contained in the Draft Offer Document;*
- The Offer is not subject to any conditions;*
- The Offeror has announced its intention to implement a squeeze-out in the event that it comes to hold more than 95% of the share capital and voting rights of the Company following the Offer.*

*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 Offeror has always been a stable shareholder and has a thorough understanding of the business and the markets of the Company;*
- The Offeror has supported and continues to support the Company's strategy. 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"; and*

- *The Draft Offer Document also states that "the Offeror does not anticipate any change in the composition of the Supervisory Board or in the composition of the management team of the Company, beyond ordinary course of business and subject to changes resulting, as the case may be, from the delisting of the shares of the Company on Euronext Paris".*

*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 November 26, 2017, the Supervisory Board, pursuant to the provisions of Articles 261-1, I, 1° and 2° 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 report regarding the financial conditions of the Offer and, as the case may be, of 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 report to the members of the Supervisory Board, and invites the Independent Expert to present the findings of its report to the Supervisory Board.*

*The Supervisory Board acknowledges the findings of the Independent Expert which states that the price of €122 per share offered is fair from a financial point of view in the context of the Offer and, as the case may be, the squeeze-out.*

*Mr. Philippe Carli then invites BNP Paribas, financial advisor of the Company in the context of the Offer, to present the findings of its valuation report which has been submitted to the members of the Supervisory Board.*

*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 states 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 further reminds the members of the Supervisory Board that during the meeting held on November 26, 2017, the independent members of the Supervisory Board, in accordance with best governance practices, decided to set up an ad hoc committee made up of Mr. Philippe Carli (as Chairman), Mr. Thomas-Bernd Quaas and Mr. Ramon Fernandez, independent*

*members of the Supervisory Board, and entrusted it with the task of monitoring the mission of the Independent Expert and issuing a recommendation to the Supervisory Board regarding the Offer.*

*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 on two occasions with the Independent Expert (on December 12 and December 20, 2017) in order to review the terms of the Offer and issue a recommendation based, in particular, on the Draft Offer Document, on the draft report of the Independent Expert and on the valuation report of BNP Paribas. The ad hoc committee took note of the remarks made by a shareholder of the Company that have been addressed by the Independent Expert in its report.*

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

- the Offer has been initiated by the controlling shareholder of the Company, which supports the Company's strategy and 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;*
- the Offer offers liquidity to minority shareholders under conditions representing a premium of +20.7% over the closing market price on November 24, 2017, and of respectively +22.9%, +22.2% and +30.8% over the over the three, six and twelve-month volume weighted average share prices as of the same date. The price of the Offer exceeds the price objectives of analysts covering the Company; and*
- the price of the Offer has been considered as fair by the Independent Expert and is identical to the consideration paid by the Offeror for the Blocks Acquisition.*

*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 the findings of the Independent Expert. In addition, the Supervisory Board takes notes of the remarks made by a shareholder of the Company that have been addressed by the Independent Expert in its report.*

*The Supervisory Board acknowledges that:*

- the Offer has been initiated by the controlling shareholder of the Company which supports the Company's strategy and does not expect, as a result of the Offer, any particular impact on Euler Hermes group's workforce, employment policy or human resources relationships;*

- *the Offer offers liquidity to minority shareholders under conditions representing a premium of +20.7% over the closing market price on November 24, 2017 and of respectively +22.9%, +22.2% and +30.8% over the over the three, six and twelve-month volume weighted average share prices as of the same date. The price of the Offer exceeds the price objectives of analysts covering the Company;*
- *the price of the Offer compares favorably to 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;*
- *the Offeror has announced its intention to implement a squeeze-out and delist the shares of the company in the event that it should come to hold more than 95% of the share capital and voting rights of the Company following the Offer;*
- *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 voting rights of the Company, will be tendered into the Offer.*

*It is stated that the tender of the treasury shares into the Offer would generate a significant capital gain that would be taxable in the hands of the Company, and would therefore have an adverse tax impact.*

*G. The Supervisory Board notes that the Offer aims at delisting the shares of the Company from Euronext Paris and that the acceleration clause of the RSU plans (restricted stock units) in favor of employees and members of the Board of Management of the Company (or its subsidiaries) provided for in such event should therefore apply in the context of the Offer.*

*Consequently, the Supervisory Board notes that subject to the implementation of a squeeze-out procedure by the Offeror and the delisting of the shares of the Company from Euronext Paris, the RSUs in the process of being vested will be immediately vested by their beneficiaries, without taking into account the remaining 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 7.1 of the Draft Response Offer Document.*

*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 November 26, 2017, 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. REPORT OF THE INDEPENDENT EXPERT REGARDING THE OFFER**

Pursuant to the provisions of Article 261-1, I, 1° and 2° of the AMF General Regulation, the Supervisory Board of the Company, on November 26, 2017, by a unanimous vote of its independent members, appointed the firm Finexsi, 14 rue de Bassano, 75116 Paris, France, to act as independent expert, in order to issue an opinion regarding the financial terms of the Offer followed, as the case may be, by a squeeze-out.

The findings of Finexsi' report dated December 21, 2017 are the following:

*“The Offer 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 Offer, of the block shares representing 11.34% of the share capital, completed on November 27, 2017.*

*The Offer price offers shareholders liquidity of their shares at a premium price of 20.7% compared to the closing market price prior to 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 last two years.*

*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 (€102.2), the Offer price represents a premium of 19.4%.*

*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 25.4% to 56.5%*



*compared to the value derived from the trading multiples, between 4.8% and 25.1% 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, 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 price of €122.0 per share offered is fair from a financial point of view for the shareholders of Euler Hermes.*

*This conclusion also applies to the squeeze-out procedure that could follow the outcome of the present Offer if the minority shareholders of Euler Hermes were to detain less than 5% of the share capital and vote rights of the Company at that time.”*

The report drawn up by Finexsi regarding the Offer followed, as the case may be, by a squeeze-out, dated December 21, 2017, on the basis of which the Supervisory Board issued its reasoned opinion regarding the Offer, is reproduced as an annex to the Draft Response Offer Document.

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

After the Supervisory Board adopted the reasoned opinion regarding the Offer reproduced in Section 2 of this press release by a unanimous vote of its independent members, all the members of the Supervisory Board who hold shares of the Company stated, in a personal capacity, that they intend to tender those shares into the Offer.

#### **5. INTENTIONS OF THE COMPANY REGARDING TREASURY SHARES**

During its meeting held on December 21, 2017, the Supervisory Board decided that given the negative tax impact of the tender of the treasury shares 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<sup>4</sup>, 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.*

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<sup>4</sup> Based on the total number of shares and theoretical voting rights as of November 30, 2017, i.e., 42,641,635 shares and the same number of theoretical voting rights.

*Euler Hermes 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 over 50 countries with 5,800+ 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 2016 and insured global business transactions for €883 billion in exposure at the end of 2016. 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.