

FITCH RATES GOTHAER ALLGEMEINE'S EUR250M SUB DEBT FINAL 'BBB+'

Fitch Ratings-London-29 September 2006: Fitch Ratings has today assigned Gothaer Allgemeine Versicherung AG's ("GA") EUR250 million 20-year subordinated bond issue a final 'BBB+' rating, in line with its standard notching guidelines.

The notes will have a term of 20 years, but will be callable at GA's option after 10 years. Claims arising under the notes will rank pari passu with all other existing and future dated and undated subordinated obligations of the issuer.

Fitch views GA as core to, and fully integrated with, the Gothaer group. The group is a mutual insurer, which generated in 2005 gross written premiums ("GWP") of EUR3.8 billion, making it one of the larger German mid-sized insurance groups. The insurance group focuses on private customers and small and medium-sized enterprises. Products are distributed mainly via tied agents and independent financial advisors. With GWP of EUR1.4bn, GA is the main non-life insurer of Gothaer group. The life segment consists mainly of Gothaer Lebensversicherung AG with GWP of EUR1.2bn while the private health insurer Gothaer Krankenversicherung AG constitutes the third group segment with GWP of EUR0.7bn.

Gothaer group pre-tax income has continuously increased to EUR263.5m in 2005 from EUR113m in 2003, while reported net income rose to EUR103.1m from EUR46.3m. Fitch expects the group to report sustainable annual net income in excess of EUR120m for 2006 and overall maintain current risk levels in its investment and business portfolios.

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