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Copenhagen Stock Exchange
6 Nikolaj Plads
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24 May 2007

Stock Exchange announcement No. 09/2007

Codan A/S – ID code 1028863 – 8

The Codan Board recommends Royal & Sun Alliance's tender offer for all of the outstanding issued shares of Codan, not already held by Royal & Sun Alliance, for cash consideration of DKK 605 per Codan share.

Not for release or distribution in or into Canada, Australia or Japan

On Thursday 24 May 2007, the majority shareholder in Codan A/S ("Codan"), RSA Overseas Holdings B.V. (the "Offeror"), which holds 71.66 % of the share capital and the votes in Codan, and 75.34 % of the share capital and votes excluding the treasury shares that Codan currently holds, and which is a wholly owned indirect subsidiary of Royal & Sun Alliance Insurance Group plc ("R&SA"), has announced a recommended tender offer (the "Tender Offer") for all of the outstanding issued shares of Codan it does not hold (excluding the treasury shares) (the "Codan Minority Shares").

The Tender Offer is open to all Codan shareholders (except those in Canada, Australia and Japan or in other jurisdictions in which the making of the Tender Offer or the acceptance thereof would be contrary to the laws of the relevant jurisdictions) at a price of DKK 605 per share, subject to adjustments for dividends and other distributions if any, made by Codan during the offer period. The Tender Offer values the Codan Minority Shares at DKK 6,414 million, and the entire issued and outstanding share capital of Codan at approximately DKK 26 billion.

The Codan Board of Directors has unanimously recommended the Tender Offer to Codan's shareholders. The three directors who are employed with R&SA, did not participate in the deliberations or the Board resolution.

Vagn Sørensen, Codan's Chairman of the Board commented

“R&SA has been the majority owner of Codan for many years and therefore this development is a natural step both for R&SA and for Codan. This step also confirms the strategic importance of Codan within the R&SA Group. The Codan Board is fully supportive of the transaction and believes the offer is value accretive for shareholders.”

Codan has had a strong start to the year and on that basis Codan reiterates its guidance for the full year as outlined in Stock Exchange Announcement No. 1/2007 of 8 March 2007 (Announcement of results for 2006) of a combined ratio in a range of 90 - 92 % (based on the revised discounting approach as described in such announcement).

The Codan Board of Directors has been advised by Morgan Stanley & Co. Limited as financial adviser and by Plesner Svane Grønberg as legal adviser in connection with the Tender Offer.

Summary of the Tender Offer

- The consideration offered under the Tender Offer is DKK 605 in cash per Codan share of nominal value DKK 20
- The Tender Offer will expire on the 21 June 2007 at 20:00 (CET) with settlement expected on or before 29 June 2007 provided the conditions are met or waived at this time
- The offer price represents a premium of 15 % compared to Codan's closing share price quoted on the Copenhagen Stock Exchange ("CSE") of DKK 525 on 23 May 2007 and 18 % compared to the last six months volume weighted average price
- The Tender Offer is not subject to a specific acceptance level or to regulatory approvals
- If upon settlement, the Offeror owns more than 90% of Codan's outstanding share capital, it is the Offeror's intention to initiate compulsory acquisition procedures and seek to de-list the Codan shares from the CSE.

For more information about the Tender Offer, including information on all terms and conditions and instructions on how to accept the Tender Offer, reference is made to the tender offer document, released today through the CSE.

For more information on the declaration by the Codan Board in respect of the Tender Offer, reference is made to Codan's announcement released earlier today through the CSE.

The offer document, including the acceptance form and the advertisement and the declaration by the Codan Board will be distributed to Codan's registered shareholders by Codan, except to shareholders resident in jurisdictions in which the Tender Offer or the acceptance thereof would be contrary to applicable law (including, but not limited to Canada, Australia and Japan).

Copies of the offer document are available on request from ABN AMRO, tel. +45 3396 1200, and will also be available on www.royalsunalliance.com and www.codan.dk.

Inquiries may be directed to:

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Yours sincerely
On behalf of the Board of Directors

Vagn Sørensen, Chairman

Codan A/S



Vibeke Krag
Company Secretary