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No. 23/2010
9 November 2010

Vienna Insurance Group in the 1st to 3rd quarter of 2010

Group premiums increased by 7.1 percent to EUR 6.5 billion

Profit (before taxes) rose by 10.9 percent to EUR 377.7 million

Continuing strong growth in the life insurance business

Expansion of the Group's sound capital base

*"The continuous development of Vienna Insurance Group confirms once more our outlook for the current financial year. The strong demand in the life insurance business has made an essential contribution to growth. In this segment especially the companies of Sparkassen Versicherung Group report double-digit growth rates in CEE", emphasised **Günter Geyer, CEO of Vienna Insurance Group**. "The trends in Central and Eastern Europe are not uniform. In Austria, the Czech Republic and Slovakia we observe great interest in life insurance, while in Poland there is mainly a strong demand for non-life insurance products. The increase in profit (before taxes) by more than 10 percent – which we achieved despite the high expenditure caused by natural disasters – confirms the strategy pursued in our markets. Thanks to the further expansion of our sound capital base, we are perfectly equipped for all future challenges."*

I. OVERVIEW OF KEY GROUP DATA FOR THE FIRST THREE QUARTERS OF 2010 (IN ACCORDANCE WITH IFRS)

In the first three quarters of 2010, **Vienna Insurance Group** registered **premiums written (consolidated)** of a total of **EUR 6.5 billion**, corresponding to a **plus of 7.1 percent** compared to the same period of the previous year.

With a **Group profit (before taxes, consolidated)** totalling **EUR 377.7 million**, Vienna Insurance Group has continued its efforts to improve its result on an ongoing basis, **increasing** it by a **remarkable 10.9 percent**.

Amounting to **98.2 percent**, the **combined ratio** of the Group (net, this means after reinsurance, excluding investment income) continued to remain under the 100-percent threshold despite increases arising from natural disasters. This damage (before reinsurance) – particularly in Austria, the Czech Republic, Poland and Romania – amounted to more than EUR 180 million.

In the first three quarters of the current year, the **financial result** of the Group totalled **EUR 895.7 million**; this corresponds to an increase by **23.2 percent** compared to the same period of the previous year.

The **investments** of the Group as of 30 September 2010 totalled **EUR 27.7 billion**, climbing by **6.9 percent** from the level of 31 December 2009.

The Group's **equity** rose by **6.2 percent** to a total of **EUR 4.9 billion**.

II. GROUP DATA BY SEGMENTS, 1ST TO 3RD QUARTER OF 2010 (CONSOLIDATED)

Property/casualty insurance

With **premiums written** totalling **EUR 3.4 billion** in this segment, Vienna Insurance Group achieved a **plus of 0.3 percent**. Based on **net earned premiums**, the Group recorded a **plus of 4.7 percent**.

In the **CEE markets** Vienna Insurance Group reported **premiums written** of **EUR 2.0 billion**, corresponding to an **increase** by **1.2 percent**.

In the **non-CEE markets** premiums written in the casualty/property insurance segment amounted to **EUR 1.3 billion**. In **Austria** the Group companies achieved **premiums** of **EUR 1.3 billion**. In **Germany** premiums rose by **2.2 percent** to a total of **EUR 55.0 million**.

Life insurance

In this segment the Vienna Insurance Group companies earned **premiums** totalling **EUR 2.9 billion**, corresponding to a **strong increase** by **16.6 percent**.

In the life insurance segment in **CEE markets** the Group registered a **significant growth** of **16.8 percent**; **premiums** increased to **EUR 1.1 billion**. **Growing** by a total of **47.6 percent**, Sparkassen Versicherung Group made a significant contribution to the highly gratifying development in this segment.

In **non-CEE** markets the Group earned **premiums** of a total of **EUR 1.8 billion**; this is a **substantial increase** by **16.5 percent**.

In **Austria** premiums in this segment went up by **13.6 percent** to a total of **EUR 1.7 billion**. With premiums of **EUR 156.3 million**, the Group companies achieved a growth of **59.2 percent** in **Germany** and **Liechtenstein**.

Health insurance

With **premiums** of **EUR 245.8 million**, Vienna Insurance Group recorded a **plus** of **1.7 percent** in this segment.

III. GROUP DATA BY REGIONS, 1ST TO 3RD QUARTER OF 2010 (CONSOLIDATED)

Austria

In the first three quarters of the current year, Vienna Insurance Group earned **premiums written** of **EUR 3.2 billion** in Austria; this corresponds to a **6.2-percent increase**. In the **property/casualty insurance** segment the Group reported **premiums** of **EUR 1.3 billion**. In the **life insurance** segment the Group registered **premiums written** of **EUR 1.7 billion** after a **strong increase** by **13.6 percent**.

Profit (before taxes) amounted to **EUR 180.6 million**.

The **combined ratio** stood at 96.9 percent.

Czech Republic

In the Czech Republic the Vienna Insurance Group companies achieved a **significant plus of 7.6 percent**, with **premiums written** amounting to **EUR 1.3 billion**.

In the **non-life insurance** segment **premiums written** totalled **EUR 759.3 million**. **Growing significantly by 27.7 percent**, **premiums written** in the **life insurance** business rose to a total of **EUR 530.8 million**.

Profit (before taxes) amounted to **EUR 103.7 million**, increasing by **5.4 percent**.

In the first three quarters of 2010, the **combined ratio** totalled **95.2 percent**.

Slovakia

With a total of **EUR 478.5 million premiums written**, the Group companies of Vienna Insurance Group achieved a **plus of 1.9 percent** in Slovakia.

In the **non-life insurance** segment the Group earned **premiums written** of **EUR 232.1 million**. In the **life insurance** segment **premiums written** surged by **15.6 percent** to **EUR 246.4 million**.

Profit (before taxes) showed a gratifying increase from EUR 16.1 million to a total of **EUR 29.0 million**.

The **combined ratio** decreased by 2.5 percentage points to **91.7 percent**.

Poland

In the first three quarters of 2010, **premiums written** recorded a gratifying increase by **31.7 percent** to **EUR 534.5 million**. In the **non-life insurance** segment the Polish Group companies achieved a **significant increase of 48.1 percent**; this resulted in a total of **premiums written** of **EUR 410.8 million**. In the **life-insurance** segment the Group earned **premiums written** of **EUR 123.7 million**.

Profit (before taxes) amounted to **EUR 17.8 million**.

Due to damage caused by natural disasters, the **combined ratio** amounted to more than 100 percent.

Romania

In Romania Vienna Insurance Group reported a total of **premiums written** of **EUR 396.6 million**. The earnings-oriented restructuring of the portfolio entailed a decline in premiums.

Premiums written of **EUR 326.5 million** were registered in the **non-life insurance** segment. In the **life insurance** segment the Group achieved a **significant increase** by **17.5 percent**, reporting **premiums written** of **EUR 70.1 million**.

Profit (before taxes) totalled **EUR 25.9 million**, surging by **56.1 percent**.

Due to the development of damage, the **combined ratio** exceeded 100 percent.

Other CEE markets

The segment "Other CEE markets" comprises the Group companies of Vienna Insurance Group in the following countries: Albania, Bulgaria, Croatia, Macedonia, Serbia, Turkey, Hungary, Ukraine as well as the three Baltic states.

In this segment Vienna Insurance Group recorded **premiums written** of a total of **EUR 433.9 million** and thus a **growth** by **3.6 percent**. **Increasing** by **3.0 percent**, **premiums written** of **EUR 290.7 million** were attributable to the **non-life insurance** segment. In the **life insurance** business the Group's **premiums written** **increased** by **4.7 percent**, totalling **EUR 143.2 million**.

Profit (before taxes) amounted to **EUR 4.8 million**.

Other markets

In **Germany** and **Liechtenstein** the Group companies achieved **premiums written** of **EUR 211.3 million**; this is a **significant plus** of **39.0 percent**.

Profit (before taxes) amounted to **EUR 15.9 million**.

IV. CONFIRMATION OF THE PROFIT FORECAST

The management of Vienna Insurance Group confirms that the aspired increase in the profit before taxes of at least of 10 percent is likely to be achieved according to plans in the current financial year.

Another increase in the profit before taxes by about 10 percent is expected for the year 2011, while the volume of premiums is expected to rise within a single-digit percentage range. Prerequisites are, however, that the economic and legal framework will not deteriorate substantially and that damage arising from natural disasters will not show a dramatic development.

V. EXAMINING A BOND ISSUE

With an equity ratio of 12.6 percent and meeting capital adequacy requirements by more than 200 percent, the Group has an excellent financial base. To continue optimising the future-oriented equity base and capital structure, the Managing Board considers the possibility of issuing a subordinated bond.

Consolidated Income Statement (IFRS) 1 January 2010 - 30 September 2010

(in EUR mn)	9M 2010	9M 2009	+/- %
Gross premiums written	6,538.3	6,106.0	7.1
Net earned premiums	5,919.4	5,374.3	10.1
Financial result	895.7	727.2	23.2
Other income	109.0	85.6	27.4
Expenses for claims and insurance benefits	-5,004.8	-4,414.0	13.4
Operating expenses	-1,311.3	-1,230.9	6.5
Other expenses	-230.2	-201.7	14.1
Profit before taxes	377.7	340.5	10.9
Taxes	-67.5	-59.6	13.2
Profit for the period	310.3	280.9	10.5
Minority interests	-19.3	-17.8	8.4
Net profit after minorities	291.0	263.1	10.6

Combined Ratio (net)	98.2%	96.2%
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Segment Reporting - Main Positions of the P&L 1 Jan. 2010 - 30 Sept. 2010

Split by lines of business:

	P&C		Life		Health		Total	
	9M 2010	9M 2009						
(in EUR mn)								
Gross premiums written	3,353.0	3,343.3	2,939.6	2,521.0	245.8	241.7	6,538.3	6,106.0
Profit before taxes	179.8	252.6	160.6	74.2	37.3	13.8	377.7	340.5

Split by regions:

	Austria		Czech Republic		Slovakia		Poland	
	9M 2010	9M 2009	9M 2010	9M 2009	9M 2010	9M 2009	9M 2010	9M 2009
(in EUR mn)								
Gross premiums written	3,193.5	3,005.6	1,290.1	1,198.5	478.5	469.4	534.5	405.8
Profit before taxes	180.6	184.2	103.7	98.4	29.0	16.1	17.8	19.5

	Romania		Other CEE		Other		Total	
	9M 2010	9M 2009	9M 2010	9M 2009	9M 2010	9M 2009	9M 2010	9M 2009
(in EUR mn)								
Gross premiums written	396.6	455.9	433.9	418.8	211.3	152.0	6,538.3	6,106.0
Profit before taxes	25.9	16.6	4.8	-4.7	15.9	10.5	377.7	340.5

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The listed Vienna Insurance Group (VIG) is one of the leading insurance groups in CEE headquartered in Vienna. Outside of its home base in Austria, Vienna Insurance Group is also active, through subsidiaries and insurance holdings, in Albania, Bulgaria, Germany, Estonia, Georgia, Croatia, Latvia, Liechtenstein, Lithuania, Macedonia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, the Czech Republic, Turkey, Hungary, Ukraine and Belarus. Moreover, Wiener Städtische Versicherung has branches in Italy and Slovenia; Donau Versicherung has a branch in Italy.

On the Austrian market, the Vienna Insurance Group (VIG) positions itself with Wiener Städtische Versicherung, Donau Versicherung and Sparkassen Versicherung.

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