

REPORT
of the
supervisory board
of
VERSA-Beteiligungs AG
with regard to the
de-merger of the Insurance Business
from VIENNA INSURANCE GROUP Wiener Städtische Versicherung AG by
transfer to VERSA-Beteiligungs AG
according to the De-Merger and Acquisition Agreement
dated 10.5.2010

With regard to the intended de-merger of the Insurance Business from VIENNA INSURANCE GROUP Wiener Städtische Versicherung AG (hereinafter "VIG"), Schottenring 30, 1010 Vienna, FN 75687 f, by transfer to VERSA-Beteiligungs AG (hereinafter "VERSA"), Schottenring 30, 1010 Vienna, FN 333376 i, the supervisory board of VERSA has made the review provided for by sec 6 Spaltungsgesetz ("SpaltG") in connection with sec 17 No 5 SpaltG in connection with sec 220c Aktiengesetz ("AktG") and herewith issues the following report:

1. The following de-merger procedure is the basis for this report:

VIG as Transferring Company and VERSA as Acquiring Company have executed on 10 May 2010 a De-Merger and Acquisition Agreement as notarial deed with regard to the transfer of the Insurance Business from VIG by way of a de-merger by transfer to VERSA (hereinafter "De-Merger and Acquisition Agreement"). The De-Merger and Acquisition Agreement forms the basis of this report. Thus, as further described in the De-Merger and Acquisition Agreement, the Insurance Business will be transferred by a de-merger by way of universal succession to VERSA.

2. According to sec 6 para. 1 SpaltG in connection with sec 17 No 5 SpaltG and sec 220c AktG, the supervisory board of the Acquiring Company has to review the de-merger on the basis of the de-merger report of the management board of the Acquiring Company and the report of the de-merger auditor and has to issue a written report.
3. The supervisory board has inspected the De-Merger and Acquisition Agreement. Furthermore, the supervisory board has inspected the joint de-merger report of the management boards of VIG and VERSA (the „De-merger Report“) as well as the report of the court appointed joint de-merger auditor. In addition, it has made the further reviews which the supervisory board has deemed to be necessary.

4. In this review, the supervisory board has determined in connection with the de-merger that
- 4.1 VERSA as Acquiring Company has – in compliance with the legal provisions - granted neither existing nor new shares to VIG as Transferring Company or to VIG's shareholders;
 - 4.2 no share exchange, no capital increase or capital reduction, and no additional payments in cash take place and, therefore, no additional reviews of such elements of a de-merger procedure are necessary;
 - 4.3 the statements of the management board in the De-merger Report concerning the economic and legal consequences of the de-merger are complete and correct;
 - 4.4 the report of the court appointed joint de-merger auditor is based on appropriate actual preconditions; and
 - 4.5 the applicable legal provisions and the articles of association have been complied with.

This report was resolved unanimously in the meeting of the supervisory board of VERSA on 12 May 2010.

Vienna, 12 May 2010

Doktor Günter Geyer
as chairman of the supervisory board
of
VERSA-Beteiligungs AG