

31 March 2011

Vienna Insurance Group in 2010 in accordance with IFRS:

Group premiums raised by 7.2 percent to EUR 8.6 billion

Profit (before taxes): clear increase by 15.1 percent to EUR 507.8 million

Proposed increase of dividend from EUR 0.90 to EUR 1 per share*

Strong growth of the Group embedded value by 8.5 percent to EUR 5.1 billion

I. OVERVIEW OF KEY DATA FOR THE YEAR 2010

Vienna Insurance Group achieved **premiums written (consolidated)** totalling about **EUR 8.6 billion** in the past financial year 2010. This corresponds to an increase by **7.2 percent**.

The **Group profit (before taxes, consolidated)** amounted to **EUR 507.8 million** in 2010. Hence, the Group exceeded the result for the year 2009 by **15.1 percent**.

The **combined ratio of the Group after reinsurance** (without taking into account investment income) was **98.4 percent** in 2010. This means that the Group succeeded in keeping it clearly below the 100-percent threshold despite the heavy burden caused by natural disasters.

The **financial result** for the year 2010 increased to **EUR 1.1 billion** (by **20.2 percent** compared to 2009).

The **investments of the Group** amounted to **EUR 28.2 billion** as of 31 December 2010, **growing by 8.7 percent** compared to 31 December 2009.

The bodies of the Group will be proposed to distribute a **dividend of EUR 1 per share**. The planned date for paying the dividend is 16 May 2011.

* subject to the approval of the corporate bodies

II. GROUP EMBEDDED VALUE INCREASED

The **embedded value** – calculated on the basis of international methods – expresses the value of existing insurance contracts. It is composed of the net asset value of the life, health and property/casualty insurance as well as the present value of future profits of existing insurance contracts in the life and health insurance segment.

*"The embedded value shows in a very impressive way how important and above all sustainable the step towards expanding the life insurance business has proved to be, especially in the CEE markets. Thus Vienna Insurance Group has achieved for its shareholders a considerable annual increase in company value, which is, however, not yet reflected in our market capitalisation. The embedded value does not even take into account the value of in-force of the property insurance segment, which accounts for about 50 percent of our total business", explained **Günter Geyer, CEO of Vienna Insurance Group** and adds: "This confirms that Vienna Insurance Group is a promising investment."*

The sustainability of the insurance business of Vienna Insurance Group is mirrored by the fact that the **Group embedded value** (after taxes) as of 31 December 2010 increased by **8.5 percent to EUR 5.1 billion** (restated value 2009: EUR 4.7 billion). The increase in embedded value, after taking into account dividend payments made, results in a profitability (return on Group embedded value) of 9.1 percent.

The growth in embedded value (plus **17.5 percent to EUR 3.4 billion**) in **Central and Eastern Europe** is even more significant and impressively confirms the value-added potential of this region. The profitability of new business is a clear sign of the earnings power of the CEE countries; it rose from 45.7 percent to 66.4 percent of the new business premiums.

B&W Deloitte GmbH, Cologne has reviewed the Group embedded value (GEV), and confirmed to the Vienna Insurance Group that the methodology and the assumptions used to determine the GEV and also the results are reasonable.

III. OUTLOOK FOR THE FINANCIAL YEAR 2011

The management of Vienna Insurance Group affirms its outlook of January and expects an increase in profit (before taxes) by about ten percent as well as a low percentage increase in premiums. Moreover, the Group set itself the target of decreasing the combined ratio to about 97 percent. However, this can only be achieved if the economic and legal framework will not deteriorate significantly and if the damage caused by natural catastrophes will not develop dramatically. Vienna Insurance Group is basically not affected by the natural disasters in Japan.

Contact:

Vienna Insurance Group
Investor Relations
1010 Vienna, Schottenring 30
Fax: +43 50 350 99 - 23303

Thomas Schmee	Tel.: +43 50 350-21900	E-Mail: thomas.schmee@vig.com
Nina Higatzberger	Tel.: +43 50 350-21920	E-Mail: nina.higatzberger@vig.com
Nicolas Mucherl	Tel.: +43 50 350-21930	E-Mail: nicolas.mucherl@vig.com

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