

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

*“In 2010 Vienna Insurance Group exceeded the planned targets once more. Our focus on earnings-oriented growth and on efficiency gains is reflected in a significant increase of the profit (before taxes) to almost EUR 508 million – this result was achieved despite the heavy burden caused by natural catastrophes”, stated **Günter Geyer, CEO of Vienna Insurance Group**. “Particular emphasis is to be placed on the remarkable development in our core markets Slovakia and Czech Republic, making an important contribution through substantial profit increases. Our continuous profitability allows us to propose an increase of the dividend to EUR 1 per share for our shareholders.”**

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).

* subject to the approval of the corporate bodies

VIENNA INSURANCE GROUP: Wiener Städtische (AT) • Donau (AT) • s Versicherung Group (AT, CZ, HR, HU, SK) • Interbanian (AL) • Sigma (AL) • Bulstrad (BG) • Bulstrad Life (BG) • Bulgarski Imoti (BG) • Kupala (BY) • Kooperativa (CZ) • CPP (CZ) • VIG RE (CZ) • InterRisk (DE) • Compensa Life (EE, LT, LV) • GPIH (GE) • IRAO (GE) • Kvarner (HR) • Helios (HR) • Union Biztosito (HU) • Vienna-Life (LI) • Wiener Städtische Podgorica (ME) • Winner (MK) • Winner Life (MK) • Compensa (PL) • InterRisk (PL) • Benefia (PL) • PZM (PL) • Omnisig (RO) • Asiro (RO) • BCR Asigurari (RO) • BCR Asigurari de Viata (RO) • Wiener Städtische Beograd (RS) • MSK-Life (RU) • Kooperativa (SK) • Komunálna poisťovňa (SK) • Ray Sigorta (TR) • Kniazha (UA) • Globus (UA) • Jupiter (UA) • USG (UA) • Branches: Donau (IT), Wiener Städtische (IT), Wiener Städtische (SI)

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.

II. GROUP DATA BY SEGMENTS FOR 2010 (consolidated)

Property/casualty insurance

In the **property/casualty insurance** segment, **premiums** totalling **EUR 4.4 billion** were written, corresponding to an **increase by 3.4 percent**.

Life insurance

With premiums amounting to **EUR 3.9 billion**, the Group companies of **Vienna Insurance Group** reported a remarkable **plus of 11.8 percent** in the **life insurance** segment.

Health insurance

In the **health insurance** segment, Vienna Insurance Group reported an increase of **5.2 percent**, with **premiums written** amounting to **EUR 338.2 million**.

III. GROUP DATA BY REGIONS FOR 2010 (consolidated)

Austria

In 2010 the Austrian Group companies of Vienna Insurance Group recorded a total of **premiums written** of **EUR 4.0 billion** and a **plus of 4.3 percent**. In the **non-life insurance** segment, premiums remained on the prior-year level, totalling **EUR 1.9 billion**. **EUR 2.1 billion** were attributable to the **life insurance** segment. Compared to the previous year, this corresponds to an **increase by 8.1 percent**.

Growing by **1.4 percent**, the **profit (before taxes)** totalled **EUR 250.9 million**.

The **combined ratio** amounted to **97.2 percent** in 2010.

Czech Republic

In 2010 the four Czech Group companies **Kooperativa pojišťovna, a.s., Česká podnikatelská pojišťovna, a.s., (ČPP), Pojišťovna České spořitelny, a.s., (PČS)** and **VIG Re** achieved a **growth of 9.6 percent**, increasing their **premiums** to **EUR 1.8 billion**. Growth in the **life insurance** segment proved to be very strong as **premiums climbed by 19.8 percent** to a total of **EUR 752.2 million**. The Group achieved **premiums** of **EUR 1.0 billion** in the **non-life insurance** segment in the Czech Republic; this corresponds to an **increase by 3.0 percent**.

In the Czech Republic the **Vienna Insurance Group** companies are the **market leaders** in the **life insurance** business. The Group is **ranked second** in the **entire insurance market**.

The **profit (before taxes)** amounted to **EUR 167.3 million**, soaring by **36.1 percent**.

The **combined ratio** for the year 2010 amounted to **93.3 percent** and remained clearly below 100 percent despite major natural disasters.

Slovakia

In 2010 the three Slovak Group companies **Kooperativa poisťovňa, a.s., Komunálna poisťovňa, a.s.** and **Poisťovňa Slovenskej sporiteľne, a.s.** achieved **premiums** of a total of **EUR 647.9 million** and, with that, an **increase** by **3.1 percent**. In the **non-life insurance** segment, the Group reported **premiums** of **EUR 307.0 million**. This result was for the first time surpassed by the **life insurance segment**, earning **premiums** of **EUR 340.9 million** – a **plus** of **15.5 percent**).

Vienna Insurance Group is the **number 1** in the insurance market in Slovakia. The Group is the **market leader** both in **life insurance** and **motor insurance**.

The **profit (before taxes)** rose by **62.2 percent** to a total of **EUR 37.3 million**.

The **combined ratio** amounted to **92.8 percent** for the year 2010.

Poland

In Poland Vienna Insurance Group achieved an **excellent plus** of **premiums** by **36.4 percent** to **EUR 747.7 million**. In the **non-life insurance** segment premiums of **EUR 559.4 million** were reported; this corresponds a **plus** of **45.7 percent**. An **increase** of **14.7 percent** to **EUR 188.3 million** was registered in the **life insurance** segment.

In 2010 the **profit (before taxes)** totalled **EUR 24.2 million**.

The **combined ratio** amounted to about 105 percent – this was mainly due to natural disasters.

Romania

In Romania the Vienna Insurance Group companies reported **premiums** of a total of **EUR 528.1 million**. **Premiums written** in the **non-life insurance** segment amounted to **EUR 434.9 million**. In the **life insurance segment** the Group succeeded in **increasing** premiums by **6.8 percent** to **EUR 93.2 million**; this growth was mainly driven by banking distribution.

In Romania **Vienna Insurance Group** is the overall **market leader** as well as the **number 1** in the **non-life insurance** segment. In the **life insurance** market, the Vienna Insurance Group companies are **ranked second**.

The **profit (before taxes)** amounted to **EUR 28.5 million**; this is a plus of **17.9 percent** compared to 2009.

The **combined ratio** for the year 2010 was slightly above 100 percent.

Remaining markets

The segment **Remaining markets** comprises the countries Albania, Bulgaria, Germany, Estonia, Croatia, Latvia, Liechtenstein, Lithuania, Macedonia, Serbia, Turkey, Ukraine, Hungary as well as Georgia, which was included in the scope of consolidation for the first time.

In the segment **Remaining markets**, Vienna Insurance Group reported **premiums of EUR 871.7 million**; this represents a **significant increase of 14.9 percent**. Premiums written in the **non-life insurance** totalled **EUR 488.1 million**, growing by **14.3 percent**, while the **life insurance** posted premiums written of **EUR 383.6 million** after a **substantial increase by 15.7 percent**.

The balanced result for 2010 is an improvement from the prior-year level.

The **combined ratio** amounted to 107.2 percent.

IV. 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.

V. 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.

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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Consolidated Balance Sheet (IFRS) 31 December 2010

Assets (in TEUR)	31/12/2010	31/12/2009	+/- %
A. Intangible assets	2,104,159	1,975,416	6.5
B. Investments	28,159,521	25,894,051	8.7
C. Investments of unit- and index-linked life insurance	5,478,603	4,628,446	18.4
D. Reinsurers' share in underwriting provisions	1,118,289	1,117,237	0.1
E. Receivables	1,681,458	1,563,449	7.5
F. Tax receivables and advance payments out of income tax	68,432	110,806	-38.2
G. Deferred tax assets	107,600	122,329	-12.0
H. Other assets	358,824	376,008	-4.6
H. Cash and cash equivalents	396,030	484,523	-18.3
Total Assets	39,472,916	36,272,265	8.8

Liabilities and Shareholders' Equity (in TEUR)	31/12/2010	31/12/2009	+/- %
A. Shareholders' equity	5,029,647	4,628,573	8.7
B. Subordinated liabilities	539,410	545,349	-1.1
C. Underwriting provisions	24,017,840	22,578,257	6.4
D. Unit- and index-linked underwriting provisions	5,227,930	4,376,160	19.5
E. Non-underwriting provisions	557,519	499,351	11.6
F. Liabilities	3,675,373	3,137,795	17.1
G. Tax liabilities out of income tax	64,170	112,351	-42.9
G. Deferred tax liabilities	127,399	160,035	-20.4
H. Other liabilities	233,628	234,394	-0.3
Total Liabilities and Shareholders' Equity	39,472,916	36,272,265	8.8

Consolidated Income Statement (IFRS) 1 January 2010 - 31 December 2010

(in EUR mn)	2010	2009	+/- %
Gross premiums written	8,593.0	8,019.3	7.2
Net earned premiums	7,860.4	7,242.3	8.5
Financial result	1,116.4	929.1	20.2
Other income	93.8	125.0	-24.9
Expenses for claims and insurance benefits	-6,541.3	-5,877.2	11.3
Operating expenses	-1,759.9	-1,649.4	6.7
Other expenses	-261.6	-328.6	-20.4
Profit before taxes	507.8	441.2	15.1
Taxes	-94.5	-77.5	21.9
Profit for the period	413.3	363.7	13.6
Minority interests	-33.5	-23.2	44.2
Net profit after minorities	379.8	340.5	11.5

Combined Ratio (net)	98.4%	96.3%
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Consolidated Income Statement (IFRS) - Quarterly Data

(in EUR mn)	Q4 2010	Q4 2009	+/- %
Gross premiums written	2,054.7	1,913.3	7.4
Net earned premiums	1,941.0	1,868.0	3.9
Financial result	220.7	201.9	9.3
Other income	-15.1	39.4	>100
Expenses for claims and insurance benefits	-1,536.5	-1,463.1	5.0
Operating expenses	-448.6	-418.5	7.2
Other expenses	-31.5	-126.9	-75.2
Profit before taxes	130.0	100.7	29.1
Taxes	-27.1	-17.9	50.9
Profit for the period	103.0	82.8	24.3
Minority interests	-14.2	-5.4	>100
Net profit after minorities	88.8	77.4	14.7

Combined Ratio (net)	99.0%	96.5%
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Segment Reporting 1 Jan. 2010 - 31 Dec. 2010

Split by lines of business:

(in EUR mn)	P&C		Life		Health		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
<i>Gross premiums written</i>	4,350.0	4,206.7	3,904.8	3,491.2	338.2	321.4	8,593.0	8,019.3
A. Net earned premiums	3,644.3	3,457.7	3,875.8	3,464.0	340.3	320.7	7,860.4	7,242.3
B. Financial result ¹	178.2	164.9	919.5	748.4	18.7	15.8	1,116.4	929.1
C. Other income	61.7	77.3	31.4	47.6	0.7	0.1	93.8	125.0
D. Expenses for claims/benefits	-2,437.5	-2,257.2	-3,821.2	-3,347.1	-282.6	-272.9	-6,541.3	-5,877.2
E. Operating expenses	-1,046.8	-973.7	-672.9	-639.1	-40.2	-36.7	-1,759.9	-1,649.4
F. Other expenses	-177.2	-230.2	-84.1	-96.0	-0.3	-2.4	-261.6	-328.6
G. Profit before taxes	222.7	238.9	248.5	177.8	36.6	24.6	507.8	441.2

Split by regions:

(in EUR mn)	Austria		Czech Republic		Slovakia	
	2010	2009	2010	2009	2010	2009
<i>Gross premiums written</i>	4,041.1	3,874.2	1,756.5	1,603.3	647.9	628.4
A. Net earned premiums	3,701.9	3,529.6	1,615.6	1,441.0	594.4	552.8
B. Financial result ¹	792.8	682.3	119.3	82.2	42.5	37.4
C. Other income	30.5	16.1	21.1	20.8	7.9	24.3
D. Expenses for claims/benefits	-3,593.5	-3,274.6	-1,124.0	-999.5	-467.1	-437.6
E. Operating expenses	-648.8	-606.4	-395.4	-359.1	-92.2	-91.6
F. Other expenses	-32.1	-99.6	-69.3	-62.4	-48.2	-62.3
G. Profit before taxes	250.9	247.5	167.3	122.9	37.3	23.0

(in EUR mn)	Poland		Romania		Remaining		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
<i>Gross premiums written</i>	747.7	548.3	528.1	606.7	871.7	758.5	8,593.0	8,019.3
A. Net earned premiums	682.9	496.2	480.6	550.6	785.0	672.2	7,860.4	7,242.3
B. Financial result ¹	55.2	40.4	41.2	25.2	65.4	61.7	1,116.4	929.1
C. Other income	6.1	3.8	14.2	22.5	13.9	37.5	93.8	125.0
D. Expenses for claims/benefits	-454.8	-282.3	-324.7	-385.5	-577.2	-497.6	-6,541.3	-5,877.2
E. Operating expenses	-254.1	-217.0	-152.2	-171.5	-217.1	-203.8	-1,759.9	-1,649.4
F. Other expenses	-11.0	-13.7	-30.6	-16.9	-70.4	-73.7	-261.6	-328.6
G. Profit before taxes	24.2	27.4	28.5	24.2	-0.4	-3.8	507.8	441.2

¹ including result from shares in at equity consolidated companies