

2nd Quarterly Report 2006  
UNIQA Versicherungen AG



The insurance of a new generation



## Key figures

### Group key figures

€ mill.	1–6/2006	1–6/2005	Change in %
<b>Premiums earned</b>			
Property and casualty	855.5	805.8	6.2
Life	813.6	771.2	5.5
Savings portion of the premiums from unit-linked and index-linked life insurance	244.5	191.1	27.9
Total life	1,058.0	962.2	10.0
Health	441.4	407.5	8.3
<b>Total premium volume</b>	<b>2,355.0</b>	<b>2,175.5</b>	<b>8.3</b>
<b>Benefits and claims<sup>1)</sup></b>			
Property and casualty	575.2	543.3	5.9
Life	946.8	957.0	–1.1
Health	395.8	379.5	4.3
<b>Total</b>	<b>1,917.7</b>	<b>1,879.8</b>	<b>2.0</b>
<b>Operating expenses<sup>2)</sup></b>			
Property and casualty	290.9	276.7	5.1
Life	139.4	132.6	5.1
Health	65.5	59.6	9.8
<b>Total</b>	<b>495.8</b>	<b>469.0</b>	<b>5.7</b>
<b>Net investment income</b>	<b>437.7</b>	<b>455.2</b>	<b>–3.8</b>
<b>Profit on ordinary activities</b>	<b>112.0</b>	<b>85.5</b>	<b>31.1</b>
<b>Insured capital in life insurance</b>	<b>54,595.8</b>	<b>50,111.0</b>	<b>8.9</b>

<sup>1)</sup> Incl. expenditure for deferred profit participation and premium refunds.

<sup>2)</sup> Incl. reinsurance provisions and profit shares from reinsurance business ceded. Without consideration of change in deferred acquisition costs.

### Stock market indicators

in €	1–6/2006	1–6/2005	Change in %
Low	22.35	11.04	
High	29.86	16.10	
Price at 30/6	25.40	16.10	57.8
Market capitalisation at 30/6 (in € mill.)	3,042.4	1,928.4	57.8

### UNIQA shares—technical details

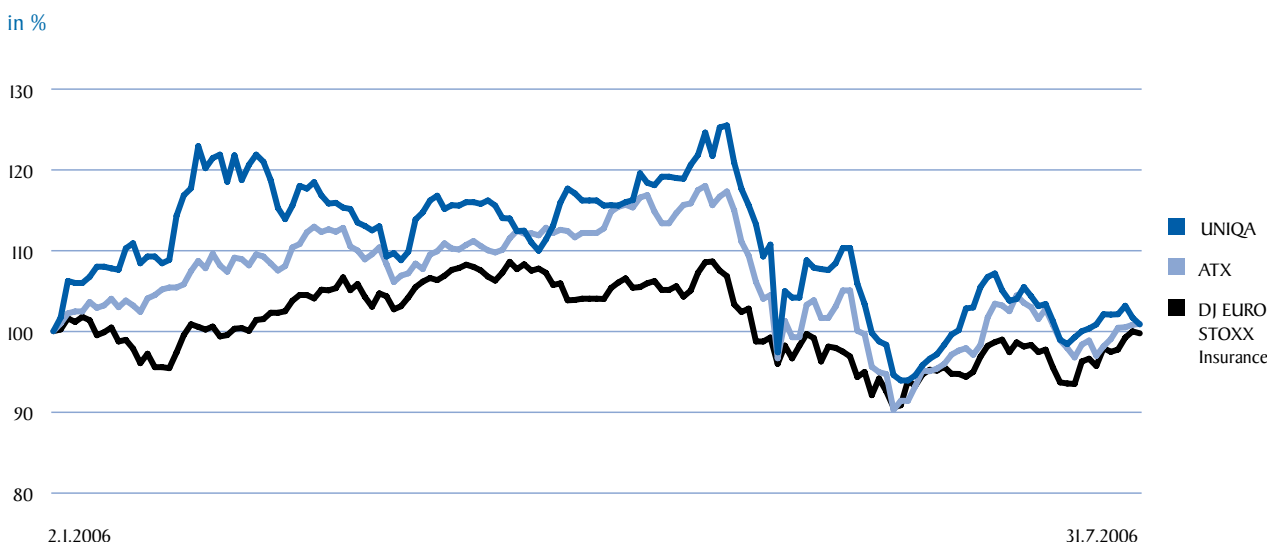
Securities abbreviation	UQA
Reuters	UNIQ.VI
Bloomberg	UQA.AV
ISIN	AT0000821103
Market segment	Prime Market—Vienna Stock Exchange
Trading segment	Official trading
Indices	ATX, ATX Prime, WBI, VÖNIX
Number of shares	119,777,808

### Financial calendar for the year 2006

Roadshow Vienna Stock	
Exchange/RCB—Edinburgh	21 September 2006
Investor conference Erste Bank—Stegersbach	29 September 2006
3rd quarterly report 2006	30 November 2006

## UNIQA Group Austria

### UNIQA share 2006



#### UNIQA shares with consolidation in the 2nd quarter

After the Austrian stock market boom in the first four months of 2006, the ATX corrected itself downward in May and June. At the end of the 2nd quarter of 2006, the leading index of the Vienna Stock Exchange stood at 3,745.72 points, 9.5% lower than the beginning of the 2nd quarter. At the end of July 2006, the ATX was slightly weaker at 3,716.00 points.

The UNIQA shares were unable to escape the developments on the international stock exchanges. After an all-time high of €29.86 on 11 May, the shares lost some ground and listed on 30 June at €25.40—corresponding to a 6-month performance of 8.5%. Currently the UNIQA shares stand at €25.75 (21 August 2006). Since 2006, UBS, Erste Bank and JPMorgan Research now publish reports on UNIQA stock in addition to Raiffeisen Centrobank.

The DJ EURO STOXX Insurance Index also sagged in the 2nd quarter of 2006 and was down to 264.13 points after the first six months of 2006 (–8.8% compared with the start of the 2nd quarter). In July, the European insurance index recovered somewhat to 268.28 points at the end of July 2006.

#### Programme for the resale of shares

In the 2nd quarter of 2006, the company did not sell any of its own shares within the programme for the resale of shares. At the end of July 2006, UNIQA still held 350,000 of its own shares. This corresponds to a 0.3% portion of the share capital.

#### Accounting standards, scope of consolidation

The quarterly statement of the UNIQA Group Austria was prepared in accordance with the International Accounting Standards as well as the International Financial Reporting Standards.

The scope of consolidation of the UNIQA Group remained unchanged in the 2nd quarter of 2006. The Ukraine insurance company Credo Classic was first listed as an associate in the 2nd quarter of 2006. The Serbian Zepter Osiguranje was listed as other shareholdings under investments.

#### Standard and Poor's confirms "A" rating

The rating agency Standard & Poor's has confirmed the ratings of the UNIQA core companies UNIQA Sachversicherung AG ("A"), UNIQA Personenversicherung AG ("A") and UNIQA Re AG ("A") as well as the holding company UNIQA Versicherungen AG ("A-")—which means its assessment of the UNIQA Group's financial strength has remained unchanged at an "A" level. The future prospects of the individual companies and the UNIQA Group continue to be categorised as "STABLE".

#### Premiums earned at nearly €2.4 billion after six months

The growth of the UNIQA Group continued through the 2nd quarter. The premiums earned increased compared with the same half year in 2005 by 6.4% to €2,110.5 million. Including the savings portion from the unit-linked and index-linked life insurance not reported in accordance with international accounting principles, the premium volume increased by 8.2% to €2,355.0 million. The group companies in Austria contributed €1,617.1 million (+1.5%), the group companies abroad successfully increased their premium volume to €737.9 million (+26.6%).

The group premiums written, including the savings portion from the premiums of unit-linked and index-linked life insurance, rose in the 2nd quarter of 2006 by 7.9% to €2,682.9 million.

### Property and casualty insurance

The premiums earned in property and casualty insurance during the first six months of 2006 increased by 6.2% to €855.5 million. In Austria, the property and casualty insurance premiums increased by 3.0% to €522.4 million; in international business they increased by 11.6% to €333.0 million.

Premiums written in property and casualty insurance increased in the 2nd quarter of 2006 by 5.2% to €1,139.3 million.

### Life insurance

In consideration of the savings portion of the premiums not included in the consolidated premium revenue of the unit-linked and index-linked life insurance in accordance with the international accounting principles of €244.5 million (1–6/2005: €191.1 million), the premium volume earned in life insurance increased by 10.0% to €1,058.0 million. The risk premium share of unit-linked and index-linked life insurance included in the premiums totalled €30.4 million in the 2nd quarter of 2006 (1–6/2005: €27.0 million).

In Austria, the premiums remained at the previous year's level (+0.2%) at €742.1 million—the group companies in Central Europe were able to increase their premium volume by an impressive 42.6% to €316.0 million.

The premiums written including the savings portion of premiums of unit-linked and index-linked life insurance were at €1,092.2 million (+9.9%) at the end of the 2nd quarter.

### Health insurance

The premiums earned in health insurance increased over the 2006 reporting period by 8.3% to €441.4 million. In the comparable period of 2005, the premiums of Mannheimer Krankenversicherung were only consolidated for one quarter.

The premium revenues written after six months of 2006 were €451.3 million (+9.9%).

### Loss expenses and benefits paid

The total loss expenses and benefits paid of the UNIQA Group increased in the 2nd quarter of 2006 only by 2.0% to €1,917.7 million. This minor increase can be attributed to the successful implementation of measures to reduce the loss expenses and benefits paid in all three segments.

### Property and casualty insurance

Total loss expenses and benefits paid increased in the reporting period by 5.9% to €575.2 million, lagging behind the business developments, although a significant increase in expenses due to snow pressure claims was recorded in the first half year of 2006.

### Life insurance

Benefits, including the change in actuarial provision in life insurance, decreased by 1.1% to €946.8 million.

### Health insurance

The insurance benefits including the change in the actuarial provisions increased during the reporting period by 4.3% to €395.8 million, significantly less than the rise in the health insurance premium volume.

### Group cost ratio decreased to 21.1%

The total operating expenses increased in the first two quarters of 2006 by 5.7% to €495.8 million. The acquisition costs before changes in the capitalised acquisition costs increased by 8.4% to €382.6 million. A cost reduction of €13.7 million less than in the same period of the previous year resulted in the 2nd quarter of 2006 from the change in the deferred acquisition costs. Due to the continued, consistent savings measures, other operating expenses in consideration of the reinsurance commissions received declined by 2.4% to €113.1 million.

The cost ratio, i.e. the relationship of all operating costs to the group premiums earned, including the savings portion of the premiums from the unit-linked and index-linked life insurance, decreased in the 2nd quarter of 2006 to 21.1% (1–6/2005: 21.6%).

### Property and casualty insurance

The total operating expenses for insurance business in property and casualty insurance increased during the first six months of 2006 by 5.1% to €290.9 million. The insurance acquisition costs before the change in the deferred acquisition costs increased by 3.6% to €226.0 million. The other operating expenses (incl. the reinsurance commissions received) increased by 10.7% to €64.9 million.

The cost ratio in property and casualty insurance fell slightly in the 2nd quarter of 2006 to 34.0% (1–6/2005: 34.3%).

### Life insurance

In the life insurance business, the total operating expenses increased in the 2nd quarter of 2006 by 5.1% to €139.4 million. The insurance acquisition costs before the change in the deferred acquisition costs increased by 16.2% to €114.0 million. The other operating expenses (incl. the reinsurance commissions received) decreased by 26.6% to €25.4 million.

The cost ratio in life insurance during the 2006 reporting period declined to 13.2% (1–6/2005: 13.8%).

### Health insurance

The total operating expenses in health insurance increased in the 2nd quarter of 2006 by 9.8% to €65.5 million. Insurance acquisition costs before the change in the deferred acquisition costs increased by 15.5% to €42.7 million. Other operating expenses (incl. reinsurance commissions received) increased slightly in the 2nd quarter of 2006 by 0.6% to €22.8 million.

The cost ratio in health insurance during the 2nd quarter of 2006 increased slightly to 14.8% (1–6/2005: 14.6%).

### Profit on ordinary activities

Profit on ordinary activities in the UNIQA Group rose, compared to the first six months of the previous year, by 31.1% from €85.5 million to €112.0 million. In Austria, the pre-tax result was €79.7 million (+38.4%). The foreign companies increased their profit on ordinary activities by 16.0% to €32.3 million.

### Investments

The total investments of the UNIQA Group (incl. land and buildings used by the group, real estate held as financial investments, shares in associates and the investments of unit-linked and index-linked life insurance) were €19,807.0 million as at 30 June 2006. Compared with the same date of the previous year, this represents an increase by 7.0% or €1,293.6 million.

The net investment income decreased over the reporting period by 3.8% to €437.7 million due to a lower ordinary investment income compared to the same period of the previous year.

### Foreign group companies

The premiums earned by the foreign companies in the UNIQA Group increased in the first six months of 2006 by 18.9% to €633.0 million. This made the share of the total group earned premium volume 30.0%. If one also includes the savings portion from the unit-linked and index-linked life insurance, the premium volume even increased by 26.6% to €737.9 million (foreign share: 31.3%).

The total insurance benefits of the foreign group companies increased in the 2nd quarter of 2006 by 21.3% to €494.5 million.

The profit on ordinary activities of the foreign group companies after the first six months of 2006 was €32.3 million. The foreign share in the group profit was 28.8%.

### Outlook

#### Preview 2006

The goal of increasing the profit on ordinary activities in fiscal year 2006 by 20% to approximately €228 million remains on track.

## Quarterly statement

### Consolidated balance sheet—assets

in € mill.	30/6/2006	31/12/2005
<b>A. Tangible assets</b>		
I. Self-used land and buildings	225.6	236.4
II. Other tangible assets	108.4	135.3
	<b>334.1</b>	<b>371.7</b>
<b>B. Land and buildings held as financial investments</b>	<b>873.4</b>	<b>856.4</b>
<b>C. Intangible assets</b>		
I. Deferred acquisition costs	833.2	807.3
II. Goodwill	251.3	223.4
III. Other intangible assets	45.7	49.0
	<b>1,130.1</b>	<b>1,079.7</b>
<b>D. Shares in associated companies</b>	<b>260.4</b>	<b>219.5</b>
<b>E. Investments</b>		
I. Variable yield securities		
1. Available for sale	2,991.7	3,080.9
2. At fair value through profit or loss	962.6	881.4
	<b>3,954.4</b>	<b>3,962.3</b>
II. Fixed interest securities		
1. Held to maturity	0	0
2. Available for sale	9,490.6	9,926.3
3. At fair value through profit or loss	525.8	515.6
	<b>10,016.4</b>	<b>10,441.9</b>
III. Loans and other investments	<b>2,804.7</b>	<b>2,110.3</b>
IV. Derivatives	<b>66.0</b>	<b>48.4</b>
	<b>16,841.4</b>	<b>16,562.9</b>
<b>F. Investments held on account and at risk of life insurance policyholders</b>	<b>1,606.2</b>	<b>1,492.2</b>
<b>G. Share of reinsurance in technical provisions</b>	<b>782.1</b>	<b>737.7</b>
<b>H. Share of reinsurance in technical provisions for life insurance policies where the investment risk is borne by policyholders</b>	<b>274.8</b>	<b>255.7</b>
<b>I. Receivables including receivables under insurance business</b>	<b>947.3</b>	<b>698.6</b>
<b>J. Receivables from income tax</b>	<b>32.4</b>	<b>28.8</b>
<b>K. Deferred tax assets</b>	<b>79.6</b>	<b>73.2</b>
<b>L. Liquid funds</b>	<b>276.8</b>	<b>192.0</b>
<b>Total assets</b>	<b>23,438.6</b>	<b>22,568.4</b>

### Consolidated income statement

in € mill.	4–6/2006	4–6/2005	1–6/2006	1–6/2005
Gross premiums written	1,054.1	984.4	2,438.4	2,296.0
Premiums earned	1,017.0	959.0	2,110.5	1,984.4
Income from fees and provisions	19.5	16.8	41.3	35.6
Net investment income	163.3	247.4	437.7	455.2
Other income	12.6	5.9	25.6	15.1
<b>Total income</b>	<b>1,212.5</b>	<b>1,229.1</b>	<b>2,615.1</b>	<b>2,490.4</b>
Insurance benefits (net)	-853.8	-914.2	-1,917.7	-1,879.8
Operating expenses	-250.5	-242.1	-509.7	-463.6
Other expenses	-32.3	-21.6	-58.3	-46.5
Amortisation of goodwill	-2.9	-1.5	-5.0	-2.8
<b>Total expenses</b>	<b>-1,139.4</b>	<b>-1,179.4</b>	<b>-2,490.7</b>	<b>-2,392.7</b>
<b>Operating profit</b>	<b>73.1</b>	<b>49.8</b>	<b>124.4</b>	<b>97.6</b>
Financing costs	-6.0	-5.9	-12.4	-12.2
<b>Profit on ordinary activities</b>	<b>67.0</b>	<b>43.8</b>	<b>112.0</b>	<b>85.5</b>
Income taxes	-17.4	-10.4	-24.7	-21.0
<b>Net profit for the period</b>	<b>49.6</b>	<b>33.4</b>	<b>87.3</b>	<b>64.5</b>
Of which consolidated profit	38.5	26.6	66.3	53.0
Of which minority interests	11.1	6.8	21.0	11.5
Earnings per share (in €)			0.56	0.47
Average number of shares in circulation			119,427,808	111,689,031

The diluted earnings per share are equal to the undiluted earnings per share.

**Consolidated balance sheet—equity and liabilities**

in € mill.	30/6/2006	31/12/2005
<b>A. Total equity</b>		
I. Shareholders' equity		
1. Subscribed capital and capital reserves	206.3	206.3
2. Revenue reserves	597.0	576.4
3. Revaluation reserves	16.1	116.4
4. Group total profit	38.6	31.3
	<b>858.0</b>	<b>930.4</b>
II. Minority interests in shareholders' equity	195.7	203.2
	<b>1,053.8</b>	<b>1,133.7</b>
<b>B. Subordinated liabilities</b>	<b>325.0</b>	<b>325.0</b>
<b>C. Technical provisions</b>		
I. Provision for unearned premiums	487.4	351.9
II. Actuarial provision	14,512.1	13,970.2
III. Provision for outstanding claims	2,025.8	1,939.8
IV. Provision for profit-unrelated premium refunds	31.1	43.5
V. Provision for profit-related premium refunds, i.e. policyholder profit-sharing	582.7	863.6
VI. Other technical provisions	39.0	40.4
	<b>17,678.1</b>	<b>17,209.4</b>
<b>D. Technical provisions for life insurance policies held on account and at risk of policyholders</b>	<b>1,584.7</b>	<b>1,457.6</b>
<b>E. Financial liabilities</b>	<b>199.8</b>	<b>248.8</b>
<b>F. Other provisions</b>	<b>704.3</b>	<b>699.0</b>
<b>G. Payables and other liabilities</b>	<b>1,558.2</b>	<b>1,130.8</b>
<b>H. Liabilities from income tax</b>	<b>98.1</b>	<b>95.4</b>
<b>I. Deferred tax liabilities</b>	<b>236.6</b>	<b>268.8</b>
<b>Total equity and liabilities</b>	<b>23,438.6</b>	<b>22,568.4</b>

**Cash flow statement**

in € mill.	1–6/2006	1–6/2005
<b>Cash and cash equivalents as at 1.1.</b>	<b>192.0</b>	<b>355.4</b>
Net cash flow from operating activities	742.5	699.7
Net cash flow used in investing activities	–607.3	–767.8
Net cash flow used in financing activities	–50.5	–4.1
Change in cash and cash equivalents	84.7	–72.2
<b>Cash and cash equivalents as at 30.6.</b>	<b>276.8</b>	<b>283.1</b>

**Changes in group equity**

in € mill.	1–6/2006	1–6/2005
<b>Situation as at 1.1.</b>	<b>1,133.7</b>	<b>860.2</b>
Foreign currency translation	–9.4	0.7
Dividends	–40.7	–31.5
Own shares	0	44.2
Net profit for the period	87.3	64.5
Unrealised capital gains and losses and other	–117.2	57.5
<b>Situation as at 30.6.</b>	<b>1,053.8</b>	<b>995.5</b>

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**UNIQA**

The insurance of a new generation