

1st Quarterly Report 2006  
UNIQA Versicherungen AG



The insurance of a new generation



## Key figures

<b>Key figures</b>			
in € mill.	1–3/2006	1–3/2005	Change in %
<b>Premiums earned</b>			
Property and casualty	426.2	396.2	7.6
Life	444.5	439.6	1.1
Savings portion of the premiums from unit-linked and index-linked life insurance	102.1	61.5	65.9
Total life	546.5	501.1	9.1
Health	222.8	189.7	17.5
<b>Total premium volume</b>	<b>1,195.6</b>	<b>1,086.9</b>	<b>10.0</b>
<b>Benefits and claims<sup>1)</sup></b>			
Property and casualty	302.6	266.9	13.4
Life	553.3	521.7	6.1
Health	208.0	177.0	17.5
<b>Total</b>	<b>1,063.9</b>	<b>965.6</b>	<b>10.2</b>
<b>Operating expenses<sup>2)</sup></b>			
Property and casualty	156.3	142.4	9.7
Life	68.1	58.7	16.0
Health	31.8	27.4	16.0
<b>Total</b>	<b>256.2</b>	<b>228.6</b>	<b>12.1</b>
<b>Net investment income</b>	<b>274.4</b>	<b>207.8</b>	<b>32.0</b>
<b>Profit on ordinary activities</b>	<b>45.0</b>	<b>41.6</b>	<b>8.1</b>
<b>Insured capital in life insurance</b>	<b>53,701.8</b>	<b>50,936.5</b>	<b>5.4</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 €	1–3/2006	1–3/2005	Change in %
Low	23.80	11.04	
High	29.25	14.50	
Price at 31/3	26.75	13.18	103.0
Market capitalisation at 31/3 (in € mill.)	3,204.1	1,578.7	103.0

## UNIQA shares—technical details

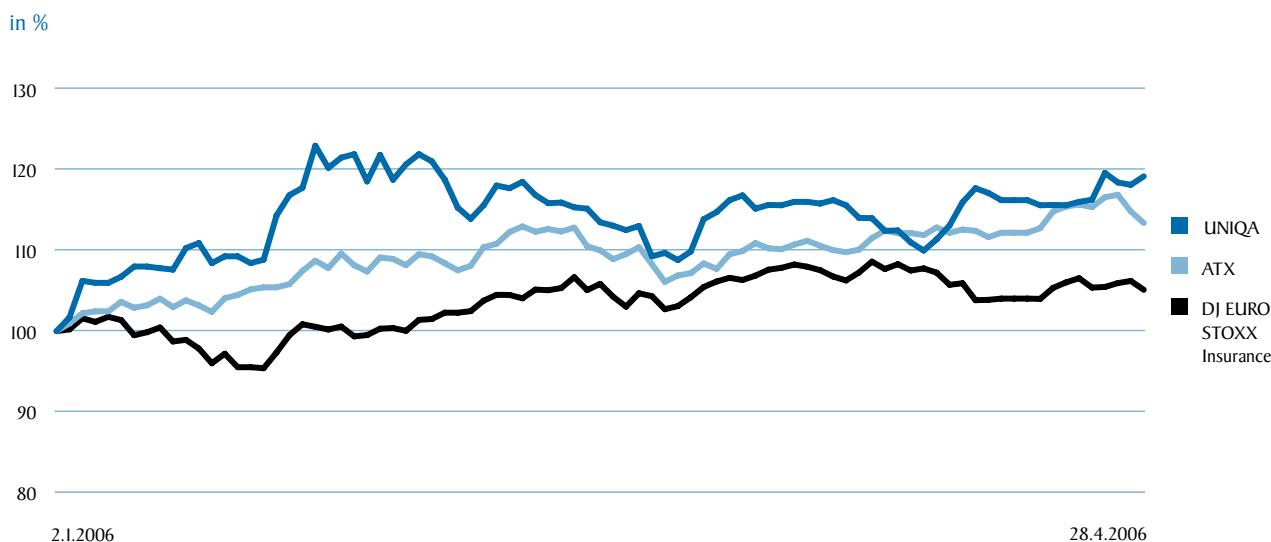
Securities abbreviation	UQA
Reuters	UNIQ.VI
Bloomberg	UQA.AV
ISIN	AT0000821103
Market segment	Prime Market—Vienna Stock Exchange
Trading segment	Official trading
Indices	ATX Prime, WBI
Number of shares	119,777,808

## Financial calendar for the year 2006

2nd quarterly report 2006	31 August 2006
3rd quarterly report 2006	30 November 2006

## UNIQA Group Austria

### UNIQA share 2006



#### UNIQA shares reach all-time high of €29.86

The strong performance of the Austrian stock market continued unabated during the start of 2006. At the end of the 1st quarter of 2006, the ATX reached a value of 4,139.83 points. After a historic high of 4,302.41 points on 26 April 2006, the leading index of the Vienna Stock Exchange declined slightly by the end of April 2006 to 4,174.12 points.

UNIQA shares were able to continue the excellent price development of the year 2005 during the start of 2006 as well, reaching an interim high of €29.25 on 30 January 2006. This was followed by a consolidation phase and the UNIQA shares were listed on 31 March 2006 at a price of €26.75. The price then rose again, reaching €28.35 on 28 April 2006—corresponding to a 4-month performance in 2006 of 21.2%. On 11 May 2006, the shares reached a new all-time high of €29.86. Due to the increased investor interest in the UNIQA shares, Raiffeisen Centrobank took up coverage of the shares in February 2006 as the first investment house to do so.

The DJ EURO STOXX Insurance Index also made gains in the 1st quarter of 2006 and was at 289.64 points after the first three months of 2006 (+8.6% compared with the end of 2005). In April, the European insurance index fell somewhat to 282.73 points at the end of April 2006.

#### Programme for the resale of shares

In the 1st quarter of 2006, the company did not sell any more of its own shares within the programme for the resale of shares. At the end of April 2006, UNIQA 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 expanded in the 1st quarter of 2006 with the Bulgarian companies ZPD Vitoshka AD and ZK Vitoshka Life AD, which were fully consolidated for the first time.

#### UNIQA expands to Serbia and Montenegro

On 30 March 2006, UNIQA concluded an agreement for the takeover of 80% of Zepter Osiguranje A.D., the fifth-largest Serbian insurance company. At the same time, the conditions for takeover of the remaining shares were also fixed by UNIQA with the previous owners. The transaction still requires the approval of the competent authorities and will be processed during the coming months according to the formal takeover procedures required by local regulations.

Zepter Osiguranje A.D., which is listed on the Belgrade Stock Exchange, was founded in 1998 and achieved in 2005 a premium volume of roughly €17 million—of which approximately 70% was generated in life insurance. With its market share of about 35%, this makes Zepter Osiguranje by far the largest life insurer in Serbia and Montenegro. Following the takeover, UNIQA will also expand the Preferred Partnership with Raiffeisen International to Serbia and Montenegro, thereby further advancing the expansion of the bank sales. Another goal is the expansion of the product range with innovative property insurance products.

### Premium volume earned reached €1.2 billion

The growth of the UNIQA Group continued in the 1st quarter of 2006. It was possible to increase the premiums earned compared with 2005 by 6.6% to €1,093.5 million. With inclusion of the savings portion of the unit and index-linked life insurance that is excluded according to international accounting standards, the premiums earned increased by 10.0% to €1,195.6 million. The Austrian Group companies contributed €812.7 million (+1.5%) to this result, and the international companies were able to increase their premium volume to €382.9 million (+33.8%).

The Group's premiums written (including the savings portion of the premiums from the unit and index-linked life insurance) rose by 8.3% to €1,486.4 million in the 1st quarter of 2006.

### Property and casualty insurance

The premiums earned in property and casualty insurance during the first three months of 2006 increased by 7.6% to €426.2 million. In Austria, the property and casualty insurance premiums increased by 2.3% to €253.8 million, in international business they increased by 16.5% to €172.4 million.

Premiums written in property and casualty insurance increased in the 1st quarter of 2006 by 4.9% to €690.9 million.

### Life insurance

Including the savings portion of the premiums from the unit and index-linked life insurance of €102.1 million (1–3/2005: €61.5 million) excluded from the consolidated premium revenue according to international accounting standards the premium volume earned rose by 9.1% to €546.5 million. The risk premium share of unit and index-linked life insurance included in the premiums totalled €16.2 million in the 1st quarter of 2006 (1–3/2005: €12.8 million).

In Austria, the premium revenue remained at the same level as the previous year at €383.0 million (+0.7%) due to the expiry of policies with a shortened term of premium payment; in Central Europe, the premium volume grew pleasantly by 35.6% to €163.5 million.

The written premiums (including the savings portion of the premiums from the unit and index-linked life insurance) were at €562.5 million (+8.7%) at the end of the 1st quarter of 2006.

### Health insurance

The premiums earned in health insurance increased over the 2006 reporting period by 17.5% to €222.8 million. In the comparable period of 2005, the premiums of Mannheimer Krankerversicherung were not yet fully consolidated.

The written premium revenues after three months of 2006 were €233.0 million (+18.3%).

### Loss expenses and benefits

The total loss expenses and benefits of the UNIQA Group increased in the 1st quarter of 2006 by 10.2% to €1,063.9 million. This increase can be attributed to the expansion of the scope of consolidation.

### Property and casualty insurance

The total loss expenses and benefits paid increased during the reporting period as a result of the harsh winter by 13.4% to €302.6 million. The payments for claims incurred rose by 20.1% to €262.6 million.

### Life insurance

Benefits, including the change in actuarial provision in life insurance, increased in line with business performance by 6.1% to €553.3 million.

### Health insurance

Insurance benefits including the change in actuarial provisions increased during the reporting period by 17.5% to €208.0 million.

### Group cost ratio at 21.4%

The total operating expenses for insurance business increased by 12.1% to €256.2 million. Insurance acquisition costs before consideration of the change in deferred acquisition costs rose by 17.1% to €199.5 million. Compared to the 1st quarter of the previous year acquisition costs were reduced to a lesser extent from the change in deferred acquisition costs. The effect totalled €7.2 million in the 1st quarter 2006. Through consistent cost-saving measures within the framework of the increased earnings programme, the other operating expenses decreased by 2.5% to €56.7 million with consideration of the reinsurance commissions received.

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 and index-linked life insurance, increased in the 1st quarter of 2006 to 21.4% (1–3/2005: 21.0%).

### Property and casualty insurance

The total operating expenses for insurance business in property and casualty insurance increased during the first three months of 2006 by 9.7% to €156.3 million. The insurance acquisition costs before consideration of the change in deferred acquisition costs increased by 9.4% to €123.2 million. The other operating expenses (incl. the reinsurance commissions received) increased by 11.0% to €33.1 million.

The cost ratio in property and casualty insurance increased slightly in the 1st quarter of 2006 to 36.7% (1–3/2005: 35.9%).

#### Life insurance

In the life insurance business, the total operating expenses increased in the 1st quarter of 2006 by 16.0% to €68.1 million. The insurance acquisition costs before consideration of the change in deferred acquisition costs increased in line with the growth of the new business volume by 31.2% to €55.1 million. The other operating expenses (incl. the reinsurance commissions received) decreased by 22.2% to €13.0 million.

The cost ratio in life insurance during the 2006 reporting period was 12.5% (1–3/2005: 11.7%).

#### Health insurance

The total operating expenses in health insurance increased in the 1st quarter of 2006 by 16.0% to €31.8 million. Insurance acquisition costs before consideration of the change in deferred acquisition costs increased by 34.4% to €21.2 million. Other operating expenses (incl. reinsurance commissions received) decreased in the 1st quarter of 2006 by 9.0% to €10.6 million.

The cost ratio in health insurance during the 1st quarter of 2006 decreased to 14.3% (1–3/2005: 14.5%).

#### Profit on ordinary activities

Profit on ordinary activities in the UNIQA Group rose, compared to the first three months of the previous year, by 8.1% from €41.6 million to €45.0 million. In Austria the pre-tax result was €30.3 million (+1.7%). In the international markets, UNIQA was able to improve the profit on ordinary activities to €14.7 million (+24.0%).

#### Investments

The total investments of the UNIQA Group (incl. self-used land and buildings, land and buildings held as financial investments, shares in associated companies and the investments held on account and at risk of life insurance policyholders) were €19,689.2 million as of 31 March 2006. Compared with the same date of the previous year, this represents an increase by 11.3% or €2,004.4 million.

The net investment income increased over the reporting period by 32.0% to €274.4 million.

#### Foreign Group companies

The premium volumes earned of the international companies of the UNIQA Group increased in the first three months of 2006 by 27.7% to €360.2 million. The share of the international com-

panies in the Group's total premium volume earned was 32.9%. If one also includes the savings portions from the unit and index-linked life insurance, the premium volumes earned increased by 33.8% to €382.9 million. The premiums of the Vitosha Group in Bulgaria which was consolidated for the first time were €11.2 million.

The total insurance benefits of the international Group companies increased in the 1st quarter of 2006 by 31.1% to €291.3 million.

The profit on ordinary activities of the international Group companies after the first three months of 2006 was €14.7 million. The international share in the Group profit was 32.7%.

#### Outlook

##### UNIQA enters into the insurance business in the Ukraine

At the start of April 2006, the UNIQA Group concluded an agreement on the staged takeover of a majority of the shares in Credo-Classic, the sixth-largest insurance company in the Ukraine. In an initial step, UNIQA took over 35% of the share capital; at the same time, the successive takeover of additional share packages was contractually concluded, whereby UNIQA will have over 51% of the share capital of Credo-Classic in the year 2008 and the investment share will increase by 2009 to 76%. In addition, UNIQA was granted significant management and control functions already upon the initial entry.

The direct founding of a life insurance company was also agreed upon with the current shareholders of Credo-Classic, in which UNIQA and Credo-Classic will each participate with 50%. Large development potentials exist in the entry into life insurance, particularly through sales cooperation within the framework of the Preferred Partnership with the Raiffeisen International subsidiary Aval Bank—the leading retail bank in the Ukraine with 1,400 branches and more than 3 million customers.

Credo-Classic was founded in 1994 and in 2005 achieved a premium volume of about €30 million.

#### Preview 2006

Due to the consistent implementation of the increased earnings programme both domestically and abroad, UNIQA expects profits on ordinary activities in fiscal year 2006 that are approximately 20% higher than in 2005, amounting to approximately €228 million.

## Quarterly statement

### Consolidated balance sheet—assets

in € mill.	31.3.2006	31.12.2005
<b>A. Tangible assets</b>		
I. Self-used land and buildings	227.4	236.4
II. Other tangible assets	143.4	135.3
	<b>370.8</b>	<b>371.7</b>
<b>B. Land and buildings held as financial investments</b>	<b>865.3</b>	<b>856.4</b>
<b>C. Intangible assets</b>		
I. Deferred acquisition costs	825.7	807.3
II. Goodwill	238.3	223.4
III. Other intangible assets	47.4	49.0
	<b>1,111.5</b>	<b>1,079.7</b>
<b>D. Shares in associated companies</b>	<b>235.3</b>	<b>219.5</b>
<b>E. Investments</b>		
I. Variable yield securities		
1. Available for sale	3,402.8	3,080.9
2. At fair value through profit or loss	934.3	881.4
	<b>4,337.1</b>	<b>3,962.3</b>
II. Fixed interest securities		
1. Held to maturity	0	0
2. Available for sale	10,037.9	9,926.3
3. At fair value through profit or loss	533.7	515.6
	<b>10,571.6</b>	<b>10,441.9</b>
III. Loans and other investments	1,795.5	2,110.3
IV. Derivatives	59.2	48.4
	<b>16,763.5</b>	<b>16,562.9</b>
<b>F. Investments held on account and at risk of life insurance policyholders</b>	<b>1,597.7</b>	<b>1,492.2</b>
<b>G. Share of reinsurance in technical provisions</b>	<b>795.0</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>264.5</b>	<b>255.7</b>
<b>I. Receivables including receivables under insurance business</b>	<b>825.1</b>	<b>698.6</b>
<b>J. Receivables from income tax</b>	<b>17.9</b>	<b>28.8</b>
<b>K. Deferred tax assets</b>	<b>76.3</b>	<b>73.2</b>
<b>L. Liquid funds</b>	<b>379.7</b>	<b>192.0</b>
<b>Total assets</b>	<b>23,302.6</b>	<b>22,568.4</b>

### Consolidated income statement

in € mill.	1–3/2006	1–3/2005
Gross premiums written	1,384.3	1,311.6
Premiums earned	1,093.5	1,025.4
Income from fees and provisions	21.7	18.8
Net investment income	274.4	207.8
Other income	12.9	9.2
<b>Total income</b>	<b>1,402.6</b>	<b>1,261.2</b>
Insurance benefits (net)	-1,063.9	-965.6
Operating expenses	-259.2	-221.5
Other expenses	-26.1	-24.9
Amortisation of goodwill	-2.1	-1.4
<b>Total expenses</b>	<b>-1,351.3</b>	<b>-1,213.4</b>
<b>Operating profit</b>	<b>51.3</b>	<b>47.8</b>
Financing costs	-6.3	-6.2
<b>Profit on ordinary activities</b>	<b>45.0</b>	<b>41.6</b>
Income taxes	-7.2	-10.6
<b>Net profit for the period</b>	<b>37.8</b>	<b>31.0</b>
Of which consolidated profit	27.8	26.4
Of which minority interests	9.9	4.7
Earnings per share (in €)	0.23	0.24
Average number of shares in circulation	119,427,808	111,119,812

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

**Consolidated balance sheet—equity and liabilities**

in € mill.	31.3.2006	31.12.2005
<b>A. Total equity</b>		
I. Shareholders' equity		
1. Subscribed capital and capital reserves	206.3	206.3
2. Revenue reserves	587.3	576.4
3. Revaluation reserves	93.7	116.4
4. Group total profit	40.1	31.3
	<b>927.4</b>	<b>930.4</b>
II. Minority interests in shareholders' equity	212.1	203.2
	<b>1,139.5</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	543.1	351.9
II. Actuarial provision	14,274.7	13,970.2
III. Provision for outstanding claims	1,988.5	1,939.8
IV. Provision for profit-unrelated premium refunds	32.6	43.5
V. Provision for profit-related premium refunds, i.e. policyholder profit sharing	824.4	863.6
VI. Other technical provisions	39.5	40.4
	<b>17,702.8</b>	<b>17,209.4</b>
<b>D. Technical provisions for life insurance policies held on account and at risk of policyholders</b>	<b>1,574.7</b>	<b>1,457.6</b>
<b>E. Financial liabilities</b>	<b>225.2</b>	<b>248.8</b>
<b>F. Other provisions</b>	<b>691.6</b>	<b>699.0</b>
<b>G. Payables and other liabilities</b>	<b>1,284.7</b>	<b>1,130.8</b>
<b>H. Liabilities from income tax</b>	<b>96.3</b>	<b>95.4</b>
<b>I. Deferred tax liabilities</b>	<b>262.8</b>	<b>268.8</b>
<b>Total equity and liabilities</b>	<b>23,302.6</b>	<b>22,568.4</b>

**Cash flow statement**

in € mill.	1–3/2006	1–3/2005
<b>Cash and cash equivalents as at 1.1.</b>	<b>192.0</b>	<b>355.4</b>
Net cash flow from operating activities	440.0	442.4
Net cash flow used in investing activities	–251.0	–510.2
Net cash flow used in financing activities	–1.3	13.4
Change in cash and cash equivalents	187.7	–54.4
<b>Cash and cash equivalents as at 31.3.</b>	<b>379.7</b>	<b>300.9</b>

**Changes in Group equity**

in € mill.	1–3/2006	1–3/2005
<b>Situation as at 1.1.</b>	<b>1,133.7</b>	<b>860.2</b>
Foreign currency translation	–4.2	–0.1
Dividends	0	–6.9
Own shares	0	13.4
Net profit for the period	37.8	31.0
Unrealised capital gains and losses and other	–27.8	18.4
<b>Situation as at 31.12.</b>	<b>1,139.5</b>	<b>916.0</b>

UNIQA Versicherungen AG  
Untere Donaustraße 21  
A-1029 Vienna

Stefan Glinz  
Tel.: +43 (0) 1 211 75 - 3773  
Fax: +43 (0) 1 211 75 - 793773  
E-mail: [investor.relations@uniqa.at](mailto:investor.relations@uniqa.at)  
[www.uniqagroup.com](http://www.uniqagroup.com)



The insurance of a new generation