

# 3rd Quarterly Report

UNIQA Versicherungen AG

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Key figures	1-9/2005 € mill.	1-9/2004 € mill.	Change in %
<b>Premiums written</b>			
Property and casualty	1,520.8	1,251.2	21.5
Life	1,127.7	861.1	31.0
Health	628.5	559.6	12.3
<b>Total</b>	<b>3,277.0</b>	<b>2,672.0</b>	<b>22.6</b>
Savings portion of the premiums from unit-linked and index-linked life insurance	237.7	96.6	146.0
<b>Total premium volume incl. savings portion</b>	<b>3,514.7</b>	<b>2,768.6</b>	<b>26.9</b>
<b>Benefits and claims<sup>1)</sup></b>			
Property and casualty	853.8	663.7	28.6
Life	1,335.4	1,022.8	30.6
Health	568.1	502.0	13.2
<b>Total</b>	<b>2,757.2</b>	<b>2,188.5</b>	<b>26.0</b>
<b>Operating expenses</b>			
Property and casualty	392.1	323.8	21.1
Life	170.1	159.3	6.7
Health	86.0	77.8	10.4
<b>Total</b>	<b>648.1</b>	<b>561.0</b>	<b>15.5</b>
<b>Net investment income</b>	<b>662.8</b>	<b>501.0</b>	<b>32.3</b>
<b>Profit on ordinary activities</b>	<b>157.8</b>	<b>83.6</b>	<b>88.8</b>
<b>Insured capital in life insurance</b>	<b>51,011.2</b>	<b>43,124.2</b>	<b>18.3</b>

Stock market indicators	1-9/2005 €	1-9/2004 €	Change in %
Low	11.04	7.85	
High	18.09	10.84	
Price at 30/9	17.51	9.20	90.3
Market capitalisation at 30/9 (in € mill.)	2,097.3	1,102.0	90.3

## UNIQA shares—technical details

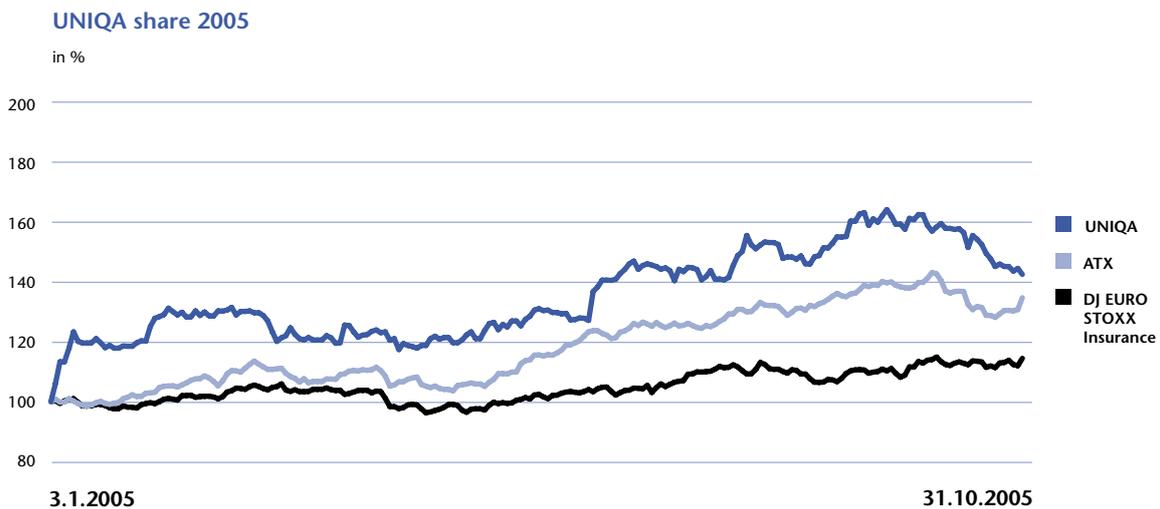
Securities abbreviation	UQA
Reuters	UNIQ.VI
Bloomberg	UQA.AV
ISIN	AT0000821103
Market segment	Prime Market—Vienna Stock Exchange
Trading segment	Official trading
Indices	ATX, ATX Prime, WBI, VÖNIX
Number of shares	119,777,808

## Financial calendar for the year 2006

Publication of the Group Report 2005	25 April 2006
Press Conference Financial Year 2005	25 April 2006
Annual General Meeting	15 May 2006
Ex-Dividend Day	29 May 2006
Dividend Payment Day	29 May 2006
1st Quarterly Report 2006	31 May 2006
2nd Quarterly Report 2006	31 August 2006
3rd Quarterly Report 2006	30 November 2006

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

# UNIQA Group Austria



## UNIQA shares hit €18 for the first time in the third quarter

The bullish trend on the Austrian stock market continued unabated in the third quarter of 2005. The Austrian Traded Index (ATX) stood at 3,457.45 points on 30 September 2005 and hit an all-time high of 3,503.85 points on 3 October 2005. This was followed by a correction, with the key index of the Vienna Stock Exchange standing at 3,298.74 points at the end of October 2005.

The UNIQA share price also continued to rise steeply in the third quarter of 2005. After reaching an all-time high of €18.09 on 19 September 2005, the share price stood at €17.51 on 30 September 2005. It subsequently dipped to €15.71 at the end of October. However, this reflects an excellent performance of 48.2% for the first ten months of 2005. UNIQA shares were re-admitted to the ATX, the key index of the Vienna Stock Exchange, on 19 September 2005. UNIQA is also included in the newly created sustainability index VÖNIX, which tracks the performance of selected listed companies operating on a sustainable basis.

The DJ EURO STOXX Insurance Index also rose again in the first nine months of 2005 to reach 232.55 points (+9.6%) at the end of the third quarter of 2005. The European Insurance Index rose slightly to 233.78 points at the end of October 2005.

## Resale programme

A total of 5,625,092 UNIQA shares were sold in the third quarter of 2005 within the scope of the company's resale programme, thereby further increasing the free float of UNIQA shares. A total of 8,795,112 shares representing 7.34% of the share capital had been resold via the stock market by the end of October 2005.

## Scope of consolidation

The UNIQA Group's scope of consolidation remained unchanged in the third quarter.

## Premium volume written in excess of €3.5 billion after nine months in 2005

The UNIQA Group also recorded buoyant premium growth in the third quarter of 2005 and boosted its premium volume written by 22.6% to €3,277.0 million compared with 2004. Including the savings portions from unit-linked and index-linked life insurance not provided for under the International Financial Reporting Standards, premiums written actually rose by 26.9% to €3,514.7 million. The Group's companies in Austria contributed €2,546.9 million (+10.6%) to this figure, while foreign companies more than doubled their premium volume to €967.8 million (+107.4%). The exceptionally strong organic growth (+11.3%) in both Austria and Central Europe played an important part in this trend.

The Group's earned premiums rose in the third quarter of 2005 by 23.6% to €2,934.2 million.

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 Business development

**Property and casualty insurance**

Premiums written in property and casualty insurance increased by 21.5% to €1,520.8 million in the first nine months of 2005. Premiums in the motor insurance business lines rose by 16.0% across the Group.

In Austria, property and casualty insurance premiums went up by 6.2% to €957.2 million, international business by 61.2% to €563.6 million.

Premiums earned in property and casualty insurance increased by 24.5% to €1,222.7 million in the third quarter of 2005.

**Life insurance**

Growth in the life insurance sector also continued unabated in the third quarter of 2005. While the premium volume written increased by 31.0% to €1,127.7 million, premiums earned stood at €1,083.0 million (+29.4%) at the end of the third quarter of 2005. In Austria, premiums written rose by 10.3% compared with last year—the premium volume in Central Europe growing by as much as 321.0%.

The risk premium share of unit-linked and index-linked life insurance included in the third-quarter report of 2005 totalled €37.9 million (1–9/2004: €29.9 million). Including the savings portions from unit-linked and index-linked life insurance not provided for under the International Financial Reporting Standards in the consolidated premium revenues of €237.7 million (1–9/2004: €96.6 million), life insurance premiums rose by as much as 42.6% to €1,365.3 million.

**Health insurance**

The premiums written in health insurance rose by 12.3% to €628.5 million during the reporting period 2005. This increase was due to the first-time inclusion of the premiums of Mannheim Health Insurance in the second quarter of 2005. These had amounted to €52.4 million until now. The international share in the health insurance business is thus already 16.8%.

Earned premium revenue amounted to €628.5 million (+13.1%) after three quarters of 2005.

**Loss expenses and benefits**

Total loss expenses and benefits of the UNIQA Group were €2,757.2 million after three quarters of 2005. The 26.0% rise compared with last year is due essentially to this year's extension in the scope of consolidation.

**Property and casualty insurance**

Total loss expenses and benefits rose by 28.6% to €853.8 million during the reporting period as a consequence of the flood damage in Austria and an untypical accumulation of major claims in Germany. In contrast, payments for claims rose only slightly by 18.8% to €733.4 million.

**Life insurance**

Benefits, including the change in actuarial provision in life insurance, rose in line with business performance by 30.6% to €1,335.4 million.

**Health insurance**

Insurance benefits, including the change in actuarial provision, rose by 13.2% to €568.1 million during the reporting period.

**Group cost ratio reduced to 22.1%**

The development of costs in the UNIQA Group was also very pleasing during the third quarter of 2005. Total operating expenses increased by 15.5% to €648.1 million. The increase in acquisition costs was disproportionately low compared to business performance: by 13.2% to €457.3 million. Other operating expenses increased, after allowing for reinsurance commissions received, by 21.5% to €190.8 million.

The cost ratio—the relation of the total operating expenses to the Group's earned premiums—was down to 22.1% in the third quarter of 2005 (1–9/2004: 23.6%).

**Property and casualty insurance**

Total operating expenses in property and casualty insurance increased by 21.1% to €392.1 million in the first nine months of 2005 in line with business performance. Acquisition costs rose by 21.7% to €290.7 million. Other operating expenses (inclusive of reinsurance commissions received) rose by 19.4% to €101.5 million.

The cost ratio in property and casualty insurance fell to 32.1% in the third quarter of 2005 (1–9/2004: 33.0%).

**Life insurance**

In life insurance, total operating expenses rose only slightly by 6.7% to €170.1 million in the third quarter of 2005. Acquisition costs were down by 3.4% to €114.0 million. Other operating expenses (inclusive of reinsurance commissions received) rose by 35.5% to €56.0 million.

The cost ratio in life insurance continued to decline significantly to 15.7% in the 2005 reporting period (1–9/2004: 19.0%).

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 Business development

### Health insurance

Total operating expenses rose in health insurance by 10.4% to €86.0 million in the third quarter of 2005. Acquisition costs rose in line with business revenue by 11.7% to €52.6 million. Other operating expenses (inclusive of reinsurance commissions received) stood at €33.3 million (+8.5%) after three quarters of 2005.

The cost ratio in health insurance declined to 13.7% in the third quarter of 2005 (1–9/2004: 14.0%).

### Profit on ordinary activities

Profit on ordinary activities in the UNIQA Group was up by 88.8% from €83.6 million to €157.8 million on the first nine months of last year. In Austria, the pre-tax result was €116.3 million (+70.3%). On the international markets, UNIQA achieved a profit on ordinary activities of €41.4 million (+171.8%).

### Capital investment portfolio close to €20 billion

The UNIQA Group's total investments amounted to €19,207.1 million in the first three quarters of 2005. This is equivalent to a year-on-year increase of €4,249.4 million or 28.4%.

Net investment income rose by 32.3% to €662.8 million during the reporting period as a result of the continued buoyant situation on the stock market.

### Foreign Group companies

Premiums written from the international companies of the UNIQA Group rose by 98.2% to €910.0 million in the first three quarters of 2005. Including the savings portions from unit-linked and index-linked life insurance, premiums written rose by as much as 107.4% to €967.8 million. The share of the foreign companies in the total volume of premiums written by the Group amounted to 27.8%.

The insurance benefits rose by €345.8 million to €602.9 million in the first nine months of 2005.

Profit on ordinary activities in the Group's foreign companies amounted to €41.4 million in the third quarter of 2005. The foreign share of the Group results was thus 26.3%.

### Outlook

#### Preferred Partnership

UNIQA's collaboration with the Raiffeisen banking group, entered into in 2004, has played an increasing role in the success of the UNIQA Group. As part of the Preferred Partnership, this collaboration is being implemented more intensively in our international target markets so that we can capitalise on the distribution channels of bankassurance that are so important for the insurance sector.

Joint ventures currently exist with local Raiffeisen banks in the Czech Republic, Slovakia, Poland, Hungary, Croatia and Bosnia-Herzegovina. These will continue to be stepped up and expanded in the future.

#### New organisational structure from 1 October 2005

The new structures reflect the aims of our strategy of concentric circles implemented by redistributing tasks and responsibilities within the Group executive management in order to optimise synergies across regions by grouping tasks and structuring the functions of the holding in line with our strategic orientation.

UNIQA has restructured the competences and responsibilities for two target groups, namely private customers, small and mid-sized businesses and key customers and industry. These were merged in two competence sectors. The aim of this divisional reorganisation is to extend the strategic orientation to the customer to our internal structure.

By supplementing our previously line-oriented organisation by a new specifically group-oriented perspective, we will further consolidate our position at home and abroad. The private customer business is being systematically promoted by combining all development functions for allocations to supraregional customer groups. At the same time, we are creating more regional responsibility in the various countries and thus speeding up the implementation of our strategy.

#### Prospects 2005

In view of the excellent performance of the UNIQA Group in the current business year, we expect profit on ordinary activities of about €180 million for the year as a whole, thus exceeding the estimates made so far. The corresponding return on equity (ROE) estimate for the year 2005 is around 17%.

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## Third Quarter Statement

Consolidated Balance Sheet—Assets	30.9.2005 € mill.	31.12.2004 € mill.
<b>A. Intangible assets</b>		
I. Goodwill	215.8	209.4
II. Other intangible assets	42.4	45.5
	<b>258.2</b>	<b>254.9</b>
<b>B. Investments</b>		
I. Land and buildings	1,053.3	1,050.4
II. Shares in affiliated and associated companies	224.3	187.6
III. Loans	1,172.0	998.1
IV. Other securities		
1. Held to maturity	0	0
2. Available for sale	13,327.4	11,580.1
3. Held for trading	1,260.6	560.4
V. Other investments	812.8	1,156.4
	<b>17,850.5</b>	<b>15,533.0</b>
<b>C. Investments held on account and at risk of life insurance policyholders</b>	<b>1,356.6</b>	<b>1,064.9</b>
<b>D. Receivables</b>	<b>694.7</b>	<b>695.6</b>
<b>E. Liquid funds</b>	<b>469.4</b>	<b>355.4</b>
<b>F. Deferred acquisition costs</b>	<b>805.5</b>	<b>738.0</b>
<b>G. Deferred tax assets</b>	<b>67.9</b>	<b>53.4</b>
<b>H. Reinsurers' share in technical provisions</b>	<b>755.9</b>	<b>710.1</b>
<b>I. Other assets</b>	<b>167.5</b>	<b>167.0</b>
<b>Total assets</b>	<b>22,426.2</b>	<b>19,572.3</b>

Consolidated Balance Sheet—Equity and Liabilities	30.9.2005 € mill.	31.12.2004 € mill.
<b>A. Shareholders' equity</b>		
I. Subscribed capital and capital reserves	206.3	206.3
II. Revenue reserves	522.0	373.2
III. Revaluation reserves	227.8	77.2
IV. Group total profit	80.2	26.4
	<b>1,036.4</b>	<b>683.1</b>
<b>B. Minority interests in shareholders' equity</b>	<b>228.0</b>	<b>177.1</b>
<b>Total shareholders' equity</b>	<b>1,264.4</b>	<b>860.2</b>
<b>C. Subordinated liabilities</b>	<b>325.0</b>	<b>325.0</b>
<b>D. Technical provisions</b>		
I. Provision for unearned premiums	420.9	328.0
II. Actuarial provision	13,633.2	12,563.1
III. Provision for outstanding claims	1,916.7	1,805.6
IV. Provision for profit-unrelated premium refund	33.3	25.3
V. Provision for profit-related premium refund, i.e. policyholders' profit participation	1,074.9	673.8
VI. Other technical provisions	36.1	33.9
	<b>17,115.0</b>	<b>15,429.8</b>
<b>E. Technical provisions for life insurance policies where the investment risk is borne by policyholders</b>	<b>1,098.5</b>	<b>824.7</b>
<b>F. Other provisions</b>	<b>937.4</b>	<b>707.3</b>
<b>G. Liabilities</b>	<b>1,358.1</b>	<b>1,176.3</b>
<b>H. Deferred tax liabilities</b>	<b>314.3</b>	<b>236.7</b>
<b>I. Other liabilities</b>	<b>13.6</b>	<b>12.3</b>
<b>Total liabilities</b>	<b>21,161.8</b>	<b>18,712.1</b>
<b>Total equity and liabilities</b>	<b>22,426.2</b>	<b>19,572.3</b>

## Third Quarter Statement

<b>Consolidated Income Statement</b>	<b>7-9/2005 € mill.</b>	<b>7-9/2004 € mill.</b>	<b>1-9/2005 € mill.</b>	<b>1-9/2004 € mill.</b>
Gross premiums written	981.0	838.4	3,277.0	2,672.0
Premiums earned	949.7	790.3	2,934.2	2,374.2
Net investment income	219.7	167.7	662.8	501.0
Other income	13.8	15.7	28.8	34.8
<b>Total income</b>	<b>1,183.2</b>	<b>973.8</b>	<b>3,625.8</b>	<b>2,910.1</b>
Insurance benefits (net)	-877.4	-707.8	-2,757.2	-2,188.5
Operating expenses	-220.2	-198.7	-648.1	-561.0
Other expenses	-11.9	-33.0	-58.4	-66.3
Amortisation of goodwill	-1.5	-3.2	-4.3	-10.7
<b>Total expenses</b>	<b>-1,110.9</b>	<b>-942.6</b>	<b>-3,468.0</b>	<b>-2,826.5</b>
<b>Profit on ordinary activities</b>	<b>72.3</b>	<b>31.2</b>	<b>157.8</b>	<b>83.6</b>
Income taxes	-10.5	-11.7	-31.5	-8.1
<b>Net profit for the period</b>	<b>61.8</b>	<b>19.6</b>	<b>126.3</b>	<b>75.5</b>
Minority interests	-14.6	-5.6	-26.1	-19.3
<b>Consolidated net profit</b>	<b>47.2</b>	<b>14.0</b>	<b>100.2</b>	<b>56.1</b>
Earnings per share (in €)			0.89	0.51
Average number of shares in circulation			113,168,146	110,619,898

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

<b>Cash Flow Statement</b>	<b>1-9/2005 € mill.</b>	<b>1-9/2004 € mill.</b>
<b>Cash and cash equivalents as at 1.1.</b>	<b>355.4</b>	<b>388.1</b>
Net cash flow from operating activities	642.7	1,674.7
Net cash flow used in investing activities	-691.8	-1,754.3
Net cash flow used in financing activities	163.2	127.9
<b>Change in cash and cash equivalents</b>	<b>114.1</b>	<b>48.3</b>
<b>Cash and cash equivalents as at 30.9.</b>	<b>469.4</b>	<b>436.4</b>

<b>Changes in Group Equity</b>	<b>1-9/2005 € mill.</b>	<b>1-9/2004 € mill.</b>
<b>Situation as at 1.1.</b>	<b>860.2</b>	<b>649.4</b>
Foreign currency translation	4.4	7.1
Dividends	-32.6	-29.4
Own shares	136.2	12.4
Net profit for the period	126.3	75.5
Unrealised capital gains and losses and other	170.0	65.2
<b>Situation as at 30.9.</b>	<b>1,264.4</b>	<b>780.2</b>

