Supplementary information on UNIQA Versicherungen AG's Group Embedded Value results for 2006

1. Introduction

UNIQA Versicherungen AG ("UNIQA Group" or "Group") last disclosed information on the Group Embedded Value (GEV) for the business year 2005 in Nov 2006. This disclosure included the European Embedded Value (EEV) for the main Life and Health Insurance businesses in Austria. The GEV included the Group's Property and Casualty, the Life and Health Insurance companies excluded from the scope of the EEV calculations, and other subsidiaries on the basis of their adjusted IFRS equity.

In line with the UNIQA Group's ongoing goal to continually improve the scope of the embedded value disclosure, the Embedded Values (EV) for the Life and Health businesses in Italy, and the Life businesses in the Czech Republic, Slovakia and Hungary have been calculated for the first time. The restatement of the 2005 GEV results includes the EVs for these businesses and their IFRS equity has consequently been eliminated.

The UNIQA Group has chosen a bottom-up, market consistent methodology in setting the economic assumptions for the EEV calculations, applying the EEV-Principles published by the CFO-Forum. The EEV calculations include an explicit allowance for the Cost of Non-Market Risks.

The Directors of UNIQA Group acknowledge their responsibility for the preparation of the supplementary information. B&W Deloitte GmbH has been retained to review the GEV calculations. The scope and the results of its independent review are set out in the Appendix A.

The GEV disclosure should not be viewed as a substitute for UNIQA Group's primary financial statements.

2. Summary of 2006 results

The GEV includes the following components:

- Adjusted Net Asset Value (ANAV) – only this component has been included in respect of the Property and Casualty, and the Life and Health businesses excluded from the scope of the EEV and EV calculations
- Value of In-Force (VIF)
- Time Value of Financial Options and Guarantees (FOG) – only calculated for the blocks of business for which stochastic projections have been carried out
- Cost of Capital and Non-Market Risks (CoCNMR)

All the values shown in this disclosure are after tax and exclude minority interests in the Group's subsidiaries unless otherwise stated.

2.1 Group Embedded Value

The following tables show the GEV results for the year ending 31st December 2006 and the restated GEV results for the year ending 31st December 2005.

Table 1a contains the results before minority interests, whereas the results after minority interests are shown in the Table 1b.

Table 1a

€ mn	Life & Health[1]		Property & Casualty[2]		Total		Change over period
	2006	2005	2006	2005	2006	2005	
ANAV	965.7	860.0	783.6	775.4	1,749.3	1,635.4	7.0%
VIF	1,139.0	938.5	n/a	n/a	1,139.0	939.4	21.3%
FOG	-19.9	-70.3	n/a	n/a	-19.9	-70.3	-71.7%
CoCNMR	-113.5	-107.8	n/a	n/a	-113.5	-107.8	5.3%
EEV / EV	***1,971.3***	***1,621.3***	***n/a***	***n/a***	***n/a***	***n/a***	***21.6%***
GEV	***n/a***	***n/a***	***n/a***	***n/a***	***2,754.9***	***2,396.7***	***14.9%***

The “Austria and Collegialität trusts” are significant shareholders of the Group and they have a 36.6% direct shareholding in the Group’s main operating company UNIQA Personenversicherung AG, and an 18.3% shareholding in FinanceLife Lebensversicherung AG. Veneto Banca, Italy has a 20% direct shareholding in UNIQA Previdenza. These minority interests as well as minority interests in some of the other Group subsidiaries are excluded in the following table.

Table 1b

€ mn	Life & Health[1]		Property & Casualty[2]		Total		Change over period
	2006	2005	2006	2005	2006	2005	
ANAV	715.2	647.8	722.9	680.9	1,438.1	1,328.7	8.2%
VIF	845.8	695.6	n/a	n/a	845.8	695.6	21.6%
FOG	-14.6	-54.4	n/a	n/a	-14.6	-54.4	-73.2%
CoCNMR	-91.0	-85.5	n/a	n/a	-91.0	-85.5	6.5%
EEV / EV	***1,455.4***	***1,203.5***	***n/a***	***n/a***	***n/a***	***n/a***	***20.9%***
GEV	***n/a***	***n/a***	***n/a***	***n/a***	***2,178.3***	***1,884.4***	***15.6%***

(1) The EEV has not been calculated for all the Life and Health businesses in the Group. The IFRS equity for the Life and Health businesses excluded from the scope of the EEV and EV calculations is shown under the column Property & Casualty.

(2) Includes the IFRS equity for the Life and Health businesses excluded from the scope of the EEV and EV calculations.

2.2 Return on GEV

The following table shows the return on GEV before and after the restatement of the 2005 GEV

Table 2

€ mn	2006	2005
GEV at 31st December (year)	2,178.3	1,895.9
GEV at 31st December (year – 1) restated	-1,884.4	n/a
GEV at 31st December (year – 1) published	-1,895.9	-1,657.6
Sale of shares	n/a	-118.3
Dividends	31.3	32.7
Return on GEV (restated)	325.2	152.7
Return on GEV (published)	313.7	n/a
Return on GEV (% - restated)	17.3	9.2
Return on GEV (% - published)	16.5	n/a

The high return on the restated GEV in 2006 has been driven by both economic and operating factors. High equity returns have resulted in an increase in unrealized capital gains, and this has a positive impact on the ANAV for the Property and Casualty and the Health insurance businesses. The impact of the higher unrealized gains on the Life businesses is less marked due to policyholder profit participation. The VIF for the Life and Health businesses has increased due to higher interest rates. The FOGs have declined significantly due to the combination of higher interest rates and lower interest rate volatility.

2.3 Value of new business

The value of new business (NBV) is calculated as the VIF for the new business sold in 2006 less the new business strain, the cost of capital and the cost of non-market risks.

The NBV in 2006 has been calculated for the main Life and Health businesses in Austria, Italy, the Czech Republic, Slovakia and Hungary. The new business value for 2005 has not been restated.

Table 3

Life & Health	2006	2005
€ mn before minority interests		
NBV	48.0	53.6
Annual Premium Equivalent (APE)	237.3	268.1
APE-Ratio	20.2%	20.0%

The NBV 2006 for Austria has decreased relative to 2005 due to lower sales volumes within the Austrian Life businesses. This has been caused by a slow down in the sale of income tax subsidised pension products which contributed significantly to the new business value in previous years. About one third of the 2006 NBV is generated by the Health business in Austria.

3. Methodology

The GEV is the total of the adjusted net asset value and, in respect of the covered in force business, the value of in force business less the cost of capital and cost of non-market risks.

3.1 Covered business

The EEV and EV results cover the life insurance, savings, pensions and annuity, disability and health insurance business written by the Group's main Life and Health businesses in Austria – UNIQA Personenversicherung AG, Raiffeisen Versicherung AG and FinanceLife Lebensversicherung AG; the Life and Health businesses in Italy written by UNIQA Assicurazioni and UNIQA Previdenza; and the Life business written in the Czech Republic, Slovakia and Hungary.

Calculations are performed separately for each business and are based on the cash flows of that business after allowing for both external and intra-Group reinsurance. Where one part of the covered business has an interest in another part of the covered business, the ANAV of that business excludes the book value of the dependent business.

3.2 Adjusted Net Asset Value

The Adjusted Net Asset Value for the EEV and EV calculations is defined as:

- the shareholders' funds under the local accounting bases including the profits for the reporting year;
- plus the "untaxed reserves" after tax – these reserves are available to cover the solvency requirements;
- plus the shareholders' share of the unrealized capital gains after tax to the extent that these are not included in the calculation of the VIF;
- less goodwill and value of business in force (VBI) after tax in respect of the businesses included in the scope of the EEV or TEV calculations; the VBI is value of the business in force included in the consolidated IFRS balance sheet as an intangible asset;
- less the difference between the market and nominal value of the subordinated loan.

The Adjusted Net Asset Value for the Property and Casualty and the Life and Health businesses excluded from the scope of the EEV or EV calculations is defined as:

- the IFRS equity;
- plus the unrealized capital gains not included in the IFRS equity.

Uniqa Personenversicherung AG (UPV) and Raiffeisen Versicherung AG are composite insurers. Their assets are split between the operating segments (i.e. Property and Casualty, Life and, in the case of UPV, Health) on the basis of the statutory balance sheets. It is possible to transfer assets between the operating segments at book value.

The Group has a small number of non quoted equity holdings that have been reflected in the consolidated IFRS balance sheet on the basis of their adjusted IFRS equity. On the basis of valuations carried out recently by external experts, the Directors of the Group have concluded that the current estimated market values, and also the historic market values in 2005 and 2006, of these equity holdings are higher than the values shown in the consolidated IFRS balance sheets. These estimated market values are disclosed in the 2006 statutory annual reports of the Group's subsidiaries. The differences between the IFRS balance sheet values and the disclosed market values as at 31st December 2005 and 31st December 2006, after adjusting for minority interests and deferred tax, are fully included in the ANAV for the Property and Casualty segment. As at 31st December 2006 and 2005 a part of these holdings were allocated to the Austrian Life and Health businesses. The additional value from these equity holdings amounts to € 265.6 mn at 31st December 2006 and € 364.7 mn at 31st December 2005. The reduction is due to one of the non quoted equity holdings being included in the IFRS balance sheet on the basis of the estimated market value instead of the adjusted IFRS equity.

The unrealized capital gains for the Property and Casualty and Health businesses have been fully allocated to the shareholders and have been included in the ANAV after deducting deferred tax. The unrealized capital gains on property assets for the Austrian Life businesses that are included in the IFRS balance sheet at amortised cost are included fully in the ANAV after deducting deferred tax. The balance of the unrealized gains for the Austrian Life businesses have been split between the ANAV and the VIF on the basis of the book value of the liabilities (i.e. the remaining unrealized capital gains backing the policyholder reserves are allocated to the VIF). The allocation of the unrealized capital gains to the ANAV for the non-Austrian Life businesses reflects the local statutory requirements.

The statutory solvency margin requirements for the Life and Health businesses included in the scope of the EEV and EV calculations were €614.6 mn at 31st December 2006 and €583.3 mn at 31st December 2005. A part of the solvency margin requirements can be covered by the subordinated loans.

3.3 Value of In-Force and Financial Options and Guarantees

The VIF calculated for the Life and Health businesses is the value of the projected net of tax distributable profits arising from the in force business. It does not include profits from future new business.

The VIF for the Austrian Life businesses writing conventional or unit linked business is determined by projecting cash flows under the assumption that the future investment returns on all assets are equal to the rates implied by the risk-free interest curve at the valuation date. The other assumptions (including expenses, surrender rates, mortality and morbidity rates, shareholder participation rates and tax rates) are set on a best estimate basis that reflects each business' recent experience and expected future trends. Where appropriate, the projection models allow for management actions, i.e. some assumptions (e.g. profit participation rates and the asset allocation) vary depending on the future economic conditions. The resulting statutory shareholder profits are discounted at the risk-free interest rates and this is defined as the "certainty equivalent" VIF. This value takes account of the intrinsic value of financial options and guarantees.

The VIF for the Health insurance companies, which do not have long-term interest guarantees or significant financial options in the products and also the Life businesses in the Czech Republic, Slovakia and Hungary are determined by projecting cash flows using best estimate investment return assumptions. The resulting projected shareholder profits are discounted at risk discount rates that include a margin to cover aggregate risks (including the FOG). The Austrian unit linked business is no longer valued using a risk discount rate – the methodology has been changed to projecting and discounting using the risk-free interest curve.

The FOGs are valued explicitly for the conventional life products in Austria as the difference between the "stochastic" VIF and the "certainty equivalent" VIF. The "stochastic" VIF is defined as the average − over one thousand economic scenarios − of the discounted value of the projected after-tax statutory shareholder profits. The economic scenarios represent possible future outcomes for capital market variables such as interest rates and equity returns. The economic scenarios and the corresponding scenario-specific discount rates are market consistent, i.e. they are calibrated to the market prices of a range of capital market instruments at the valuation date.

3.4 Cost of Capital and Non-Market Risks

The Required Capital for the Austrian Life businesses has been defined as 100% of the statutory solvency margin to cover the Cost of Capital and a further 50% of the statutory solvency margin to cover the Cost of Non-Market Risks. For the purpose of determining the CoCNMR it has been assumed that at least 50% of the statutory solvency margin is covered by shareholder funds. This is consistent with the statutory requirements for the coverage of the minimum solvency margin. Consequentially the balance of the Required Capital is covered, where possible, by subordinated loans or policyholder funds. The CoCNMR has been calculated as the present value at the risk-free interest rates of the frictional costs. The frictional costs on the proportion of the total Required Capital covered by the shareholders' funds have been defined as the corporation tax on the future investment returns and investment expenses. The frictional costs on the proportion of the total Required Capital covered by subordinated debt have been defined as the after tax difference between the coupon on the subordinated loans and the assumed future investment returns.

The Cost of Capital for the Health businesses and the Life businesses in the Czech Republic, Slovakia and Hungary has been calculated as the present value of the difference between the risk discount rate and the assumed after-tax investment return on the shareholders' funds.

The same definitions for the Cost of Capital and the Cost of Non-Market Risks have been applied for the in force business and also the value of new business.

3.5 Value of New Business

The NBV represents the value generated by new business sold during the reporting period. New business premiums are defined as premiums arising from sales of new contracts. New business includes policies where a new contract is signed or underwriting is carried out. Renewal premiums include contractual renewals and changes to health insurance premiums due to medical inflation.

4. Assumptions

The economic and operating assumptions are shown below.

4.1 Economic assumptions

The following tables show the main economic assumptions for the EEV and TEV calculations.

Table 4

	Euro spot rates	
	2006	**2005**
1 year	4.08%	2.93%
5 years	4.10%	3.22%
10 years	4.17%	3.48%
15 years	4.25%	3.70%
20 years	4.28%	3.80%
25 years	4.3%	3.85%

Table 5

	Risk discount rates	
	2006	**2005**
Finance Life	-*)	6.50%
UPV Austria, Health	6.50%	6.50%
UPV Assicurazioni, Health	7.00%	6.50%
UNIQA Previdenza, Life	7.00%	6.50%
UNIQA CZ	7.50%	7.00%
UNIQA HU	10.00%	10.00%
UNIQA SK	7.50%	7.00%

*) in 2006 discounted using risk-free interest curve

Table 6

	Other Euro economic assumptions(2)	
	2006	**2005**
Interest rate volatility (1)	16.10%	20.40%
Equity volatility	22.31%	22.37%
Expense / medical inflation	1% / 2% - 3%	1% / 2% - 3%
Tax rate (Austria / Italy)	25.0% / 38.25%	25.0% / 38.25%

(1) 5 into 5 implied swaption volatility
(2) Used for the Austrian Health business and the Italian Life and Health businesses

Table 7

		Czech Republic, Slovakia and Hungary	
		2006	**2005**
Average reinvestment rate	in %	2.86 / 4.64 / 6.44	2.15 / 3.07 / 6.44
10 year government bonds	in %	3.72 / 3.96 / 6.74	3.70 / 3.60 / 6.96
Risk discount rates	in %	7.50 / 7.50 / 10.00	7.00 / 7.00 / 10.00
Expense inflation	in %	2.0 / 2.0 / 3.0	1.5 / 2.0 / 3.0
Tax rate	in %	24 / 19 / 16	24 / 19 / 16
Exchange rate to 1 €		27.49/34.44/251.77	29.00/37.88/252.87

4.2 Operating assumptions

The assumed policyholder profit participation for the Austrian Life businesses has been set for each economic scenario using management rules that seek to achieve a pre-tax shareholder margin of 15% of the gross surplus. The gross surplus is the sum of the investment (based on book values), risk and expense surpluses. The unit linked business does not have any policyholder profit sharing.

A part of the gross surplus for the Austrian Health business, in accordance with current practice, is assumed to be used to reduce the level of future premium adjustments. There is no additional allowance for future profit sharing.

The assumed profit participation for the Life businesses in the Czech Republic, Hungary and Slovakia is defined as at least 80% of the difference between the projected investment returns and the technical interest rates. The corresponding assumption for the Italian life business is 80% of the projected investment returns after deducting the technical interest rates.

Actuarial assumptions such as mortality and morbidity rates, surrender and annuity take-up rates have been included on the basis of the Directors' best estimates of future experience. They reflect historical experience and expected trends.

Expense assumptions have been based on the companies' recent experience. In the case of the Austrian Health business € 6.5mn of the 2006 expenses have been excluded as one-off expenses.

5. Analysis of change for the Life and Health businesses

The following table shows the analysis of change in the EEV and EV for the life and health business.

Table 8

€ mn (before minority interests)	2006	2005
EEV at Dec 31, previous year, before dividends	**1,404.0**	**1,417.4**
Changes to covered business and exchange rate movements	221.3	-
Modelling changes	-4.0	16.6
Dividends paid	-45.2	-37.2
Roll forward	106.7	89.7
Operating profit		
Changes in operating assumptions	-12.5	-39.6
Operating variance	1.1	2.5
Economic profit		
Investment performance and changes in economic assumptions	251.9	-99.0
Value of new business	48.0	53.6
EEV at Dec 31.	**1,971.3**	**1,404.0**

The restated 2005 results show the impact of the changes to the covered business. The TEVs for the Life and Health businesses in Italy and the Life businesses in the Czech Republic, Slovakia and Hungary have been included for the first time. The IFRS equity for these businesses was previously included in the ANAV of the Property & Casualty businesses (i.e. excluded from the EEV / TEV results). The impact of the exchange rate movements is a reduction of €1.3 mn.

The modelling changes are due to ongoing improvements to the cashflow project models.

The dividends paid by the covered Life and Health businesses in respect of the business year 2005 in 2006 amount to €45.2 mn.

The main operating effects include the negative deviation in respect of the expected premium adjustments as well as a better than expected claims development for the Austrian Health business in 2006.

Investment performance in 2006 had a positive impact due to high returns on equity investments. The increase in interest rates leads to a lower time value of financial options and guarantees.

6. Sensitivity Analyses for the EEV and EV

The following table shows the sensitivity of the EEV at 31st December 2006 and the non-restated values at 31st December 2005 to changing various assumptions. The risk discount rate sensitivities are only shown in respect of the Health businesses and Life businesses calculated traditionally, because risk discount rates are not used in a market consistent valuation framework.

Table 9

€ mn (before minority interests)		EEV/EV 2006	Change as % of base value	EEV/EV 2005	Change as % of base value
Base value		1,971.3		1,404.0	
Change in yield curve / interest rates(1)	+1%	263.4	13.4%	226.0	16.1%
	-1%	-402.9	-20.4%	-370.3	-26.4%
Change in risk discount rate(2)	+1%	-65.3	-3.3%	-40.4	-2.9%
	- 1%	79.0	4.0%	84.9	6.1%
Equity and property prices	-10%	-66.0	-3.4%	-65.5	-4.7%
Administration expenses	-10%	27.7	1.4%	17.2	1.2%
Lapses	-10%	9.0	0.5%	3.3	0.2%
	+10%	-8.9	-0.5%	-1.1	-0.1%
Mortality(3)	5% improvement	14.8	0.8%	14.2	1.0%
	-5% worsening	-14.7	-0.7%	-11.6	-0.8%

(1) The change in yield curve sensitivity has only been calculated for the business or product blocks for which a certainty equivalent value has been calculated

(2) Only calculated for businesses or product blocks for which a risk discount rate has been applied

(3) This sensitivity shows the impact of a 5% improvement (i.e. reduction in the mortality for savings and risk products and an increase in the mortality for annuity products) and 5% worsening in mortality

The sensitivity results show that change in the yield curve / interest rates has a significant impact on the EEV / EV results. All the other sensitivities have a minor impact.

The following table shows the sensitivity of the value of new business for 2006 and for 2005 to changing various assumptions.

Table 10

€ mn (before minority interests)		NBV 2006	Change as % of base value	NBV 2005	Change as % of base value
Base value		48.0		53.6	
Change in yield curve / interest rates(1)	+1%	13.5	28.0%	16.1	30.0%
	-1%	-21.8	-45.3%	-29.1	-54.3%
Change in risk discount rate(2)	+1%	-3.7	-7.7%	-7.9	-14.6%
	- 1%	4.4	9.1%	10.0	18.7%
Administration expenses	-10%	3.4	7.0%	-5.0	-9.4%
Lapses	-10%	1.6	3.4%	1.1	2.0%
	+10%	-1.9	-3.9%	-0.4	-0.7%
Mortality(3)	5% improvement	1.9	3.9%	1.9	3.6%
	-5% worsening	-2.1	-4.4%	-1.0	-1.9%

(1) The change in yield curve sensitivity has only been calculated for the business or product blocks for which a certainty equivalent value has been calculated

(2) Only calculated for businesses or product blocks for which a risk discount rate has been applied

(3) This sensitivity shows the impact of a 5% improvement (i.e. reduction in the mortality for savings and risk products and an increase in the mortality for annuity products) and 5% worsening in mortality

The NBV is also very sensitive to changes in the yield curve / interest rates.

7. Reconciliation of IFRS equity to the Adjusted Net Asset Value

The following table shows the reconciliation of the IFRS equity to the ANAV as shown in the GEV.

Table 11

	2006	2005 restated	2005
Consolidated IFRS equity	**1,329.8**	**1,133.7**	**1,133.7**
Goodwill and value of business in force for EEV / TEV companies	-105.3	-110.8	-67.5
Differences in valuation of assets and liabilities	-110.9	-97.3	-85.2
Other differences	331.9	301.4	304.8
Additional value from non-quoted equity holdings	303.8	408.4	408.4
Adjusted net asset value before minority interests	**1,749.3**	**1,635.4**	**1,694.2**
Minority interests	-311.2	-306.7	-312.6
Adjusted net asset value after minority interests	**1,438.1**	**1,328.7**	**1,381.6**

The consolidated IFRS equity is shown before minority interests. Goodwill and VBI are deducted in respect of the Life & Health businesses included in the scope of the EEV / EV calculations.

There are a number of differences in the valuation of assets and liabilities between the local statutory accounts that are used to determine the VIF and the IFRS accounts. These are summarized in the line “differences in valuations of assets and liabilities”.

Other differences include the unrealized gains on property assets that are not shown at market value in the consolidated IFRS balance sheet.

Additional value from non-quoted equity holdings arises from the difference between the IFRS balance sheet values and the estimated market values – as disclosed in the statutory annual reports of the Group’s subsidiaries - at 31st December, after adjusting for deferred tax.

The ANAV excludes the minority interests and these have to be deducted to arrive at the ANAV.

8. Disclaimer - Cautionary statement regarding forward-looking information

This supplementary disclosure of the Group Embedded Value results contains forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties, and it might not be possible to achieve the predictions, forecasts, projections and other outcomes described or implied in forward-looking statements. A number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in these forward-looking statements.

These forward-looking statements will not be updated except as required by applicable laws.

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Herrn
Mag. Hannes Bogner
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30 May 2007

Dear Herr Bogner,

Review of Group Embedded Value of UNIQA Versicherungen AG as at 31 December 2006

We have reviewed the Statements of Group Embedded Value (the "Statements") of UNIQA Versicherungen AG ("the Group") as set out in the Group's "Supplementary information on UNIQA Versicherungen AG's Group Embedded Value results for 2006".

These Statements comprise:

- the European Embedded Values of the main Life and Health insurance businesses in Austria as at 31 December 2005 and 31 December 2006 and the Embedded Value of the Life and Health businesses in Italy, the Czech Republic, Slovakia and Hungary together with the value of new business generated, the sensitivities and the analysis of change during the year 2006;
- the Adjusted Net Asset Values as at 31 December 2005 and 31 December 2006 for the Property and Casualty insurance businesses and the Life and Health insurance businesses excluded from the scope of the European Embedded Value or Embedded Value calculations.

The scope of our review covered the methodology adopted together with the assumptions and calculations made by the Group in relation to the European Embedded Values for the main Austrian Life and Health businesses, the Embedded Values for the Italian, Czech, Slovakian and Hungarian Life and Health businesses and also the calculations made by the Group in relation to the Group Embedded Value. The Adjusted Net Asset Values are based on values shown in Group's audited consolidated IFRS accounts and also the audited local statutory accounts for the relevant subsidiaries of the Group. In the case of the Property and Casualty businesses the Adjusted Net Asset Values allow for additional value arising from the difference between the Directors' estimates of the market value of a small number of non-quoted equity holdings and the values for these holdings in the Group's consolidated IFRS accounts. The Adjusted Net Asset Values for the businesses excluded from the scope of the

European Embedded Value or Embedded Value calculations have also been excluded from the scope of our review.

These Statements of Group Embedded Value and the assumptions underlying them are the sole responsibility of the Board of Directors of the Group. They have been prepared by the Group on the basis of the Group's methodology as described in the Statements.

Our review was conducted in accordance with generally accepted actuarial practices and processes. It comprised a combination of such reasonableness checks, analytical review and checks of clerical accuracy as we considered necessary to provide reasonable assurance that the Statements have been compiled free of significant error. However, we have relied without verification upon the completeness and accuracy of data and information supplied by the Group, including the value of net assets as disclosed in the audited local statutory accounts and the IFRS accounts of the Group and the subsidiaries of the Group, together with the adjustments made by the Directors to reflect the additional value of the non quoted equity holdings referred to above.

The calculation of the Group Embedded Values necessarily makes numerous assumptions with respect to economic conditions, operating conditions, taxes, and other matters, many of which are beyond the Group's control. Although the assumptions used represent estimates which the Directors believe are together reasonable, actual experience in future may vary from that assumed in the calculation of the embedded value results and any such variations may be material. Deviations from assumed experience are normal and are to be expected. The Group Embedded Value does not purport to be a market valuation and should not be interpreted in that manner since it does not purport to encompass all of the many factors that may bear upon a market value.

In our opinion and based on the scope of our review as set out above,

- the methodology and assumptions used to calculate the European Embedded Values in respect of the main Austrian Life and Health businesses are appropriate, reasonable and compliant with the European Embedded Value Principles set out by the CFO Forum in May 2004 (the "CFO Forum Principles");
- the methodology and assumptions used to calculate the Embedded Values in respect of the Life and Health businesses in Italy, the Czech Republic, Slovakia and Hungary are appropriate and reasonable; and
- the Group Embedded Value has been properly compiled on the basis of the methodology and assumptions chosen by the Group.
- This report is made solely to the Group's Directors as a body. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Group's Directors as a body for our work in respect of this report or for the conclusions that we have reached.

Yours sincerely,

Norbert Heinen
B&W Deloitte GmbH