

21 October 2010

Vienna Insurance Group in Albania

Further growth achieved with the acquisition of InterAlbanian

The **Vienna Insurance Group AG Wiener Versicherung Gruppe** signed an agreement in Tirana on 21 October regarding the acquisition of the Albanian insurance company **InterAlbanian SHA** (InterAlbanian).

"By strengthening our presence in Albania we are consolidating our position in the region. We have had good experiences in Albania in recent years with our group company Sigma, and are satisfied with business development. We have therefore decided to strengthen our position in Albania in order to take advantage of the country's full potential. The continuing great need to catch up and the positive economic trend in Albania constitute solid conditions for strong long-term growth," comments **CEO Günter Geyer** regarding the group's most recent acquisition.

InterAlbanian was established in 2004 and is the number 3 in the country in the non-life insurance sector, being particularly active in the motor insurance market. Its overall market share is approximately 10 percent, which places the business 4th overall in the Albanian insurance market. Premiums in the 2009 business year amounted to approximately EUR 6.1 million and the pre-tax profit was approximately EUR 0.6 million. InterAlbanian has 34 sales offices in larger cities around the country and has 132 employees.

In the course of the transaction, the Vienna Insurance Group has acquired a 75 percent stake plus one share in the company. With its non-life insurer **Sigma SHA** (Sigma), the Vienna Insurance Group has been active in the Albanian market since 2007. The acquisition of InterAlbanian results in the group increasing its market share to approximately 25 percent, which equates to 2nd place in the market. The acquisition is still subject to regulatory approvals.

The Albanian Insurance Market

Albania has a population of around 3.2 million, with almost a quarter of them located in Greater Tirana. Economic growth in 2009 was 3.3 percent and a rate of 2.6 percent is expected in 2010.

In 2009, total premium volume was just EUR 60 million, which is a significant increase of more than 10 percent compared to the previous year. The dominant sector in the business is motor insurance, which has a share of approximately 60 percent of the total premiums.

There are currently ten companies active in the Albanian insurance market: seven of these work exclusively in the non-life sector, two are life insurers and the other company is active in both areas. The insurance density (annual per capita premiums) in Albania was EUR 16 in Albania in 2009. As a comparison, the corresponding value in 2009 in Austria was approximately EUR 1,960. The insurance penetration (ratio of premiums to GDP) was approximately 1.51 percent in Albania compared to 5.93 percent in Austria.

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, Poland, Romania, Russia, Serbia, Slovakia, the Czech Republic, Turkey, Hungary, Ukraine and Belarus. It also has branches in Italy and Slovenia.

On the Austrian market, the Vienna Insurance Group (VIG) positions itself with Wiener Städtische Versicherung, Donau Versicherung and Sparkassen Versicherung.

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