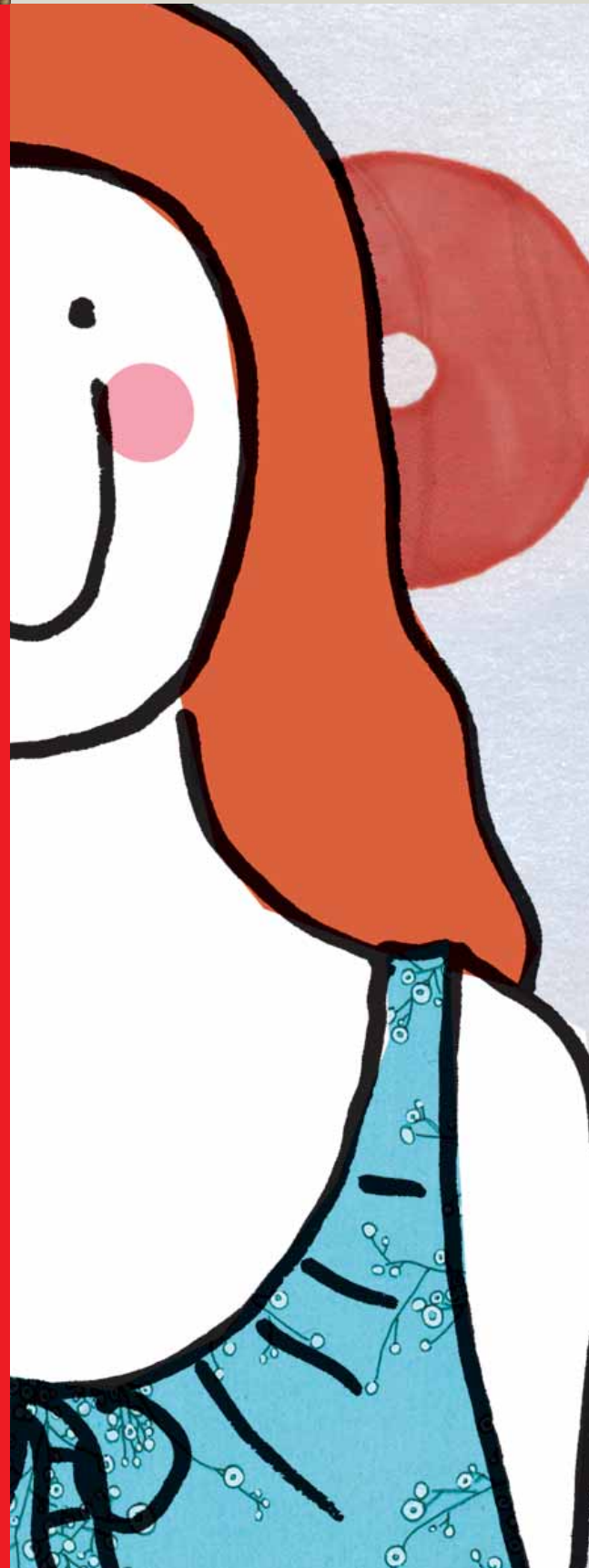




Letter to the Shareholders

First Three Quarters of 2000



Dear shareholder:

This report for the first three quarters of 2000 contains detailed information about Wiener Städtische Allgemeine Versicherung Aktiengesellschaft and the Wiener Städtische Group.

The Board of Management
WIENER STÄDTISCHE
ALLGEMEINE VERSICHERUNG
AKTIENGESELLSCHAFT

Wiener Städtische AG in the First Three Quarters of 2000

In ATS million	First Three Quarters of 2000	Change Relative to '99		First Three Quarters of 2000	Change Relative to '99
Earned premiums (primary insurance)	13,742	+ 5.2%	Expenditures on benefits	10,627	+ 4.2%
Property & Casualty	5,942	+ 3.0%	Operating expenses	3,691	+ 4.3%
Health	2,497	+ 2.2%	Financial result	2,831	- 2.3%
Life	5,303	+ 9.3%	Total investments	87,500	+ 4.2%*

* Change relative to December 31, 1999

Premium income rose 5.2% (Property & Casualty accounted for 43.2%, Life for 38.6% and Health for 18.2% of premium income). **Benefits paid** varied from one division to the next: In Property & Casualty, benefits paid rose by 9.4%, due to the sharp increase in storm losses and comprehensive losses; by contrast, in Life they only rose slightly relative to '99 (+ 0.7%).

The increase in **total costs** (not including commissions) was 0.8 percentage points below the inflation rate and salary increases per the collective agreement. This shows that our efforts to keep a lid on costs are proving successful.

The **financial result** as of the end of September was ATS 2,831 million. The ordinary result was up 6.6% relative to '99; however, key-date related losses in stocks had an impact on extraordinary income (which amounted to ATS 185 million).

Property & Casualty

In ATS million	First Three Quarters of 2000	Change Relative to '99	In ATS million	First Three Quarters of 2000	Change Relative to '99
Premiums in auto divisions*	2,210	+ 2.0%	Total earned premiums	5,942	+ 3.0%
Premiums in non-auto divisions*	3,731	+ 3.6%	Claims incurred (primary insurance)	4,662	+ 9.4%

* earned premiums

The increase in premium income in **Property (non-auto) divisions** was mainly driven by the liability insurance and legal expenses insurance divisions. The 115.9% increase in effective losses in Storm Damage insurance was largely the result of the hail storms in the first half of the year and at the beginning of July. In that division, benefits amounting to ATS 200 million were paid out at the beginning of the third quarter, though 75% thereof was covered by reinsurance programs.

In the first three quarters, the **Auto divisions** achieved a 2.0% increase in premium income. Although we managed to halt the slide in premiums in auto third party liability insurance, the loss ratio increased further, due to the rising cost of repairs. It will therefore be vital to push ahead with premium-related measures during the coming year. Plans are already in place.

The increase in premium income in **Life** insurance was largely thanks to strong growth in one-time-payment business. Wiener Städtische is one of the few "traditional" insurance companies that has successfully achieved growth of a similar order to that of the specialist insurers (CA-Versicherung, MLP, Skandia); moreover, we have a market share of 9.0%, which is on a par with that of those companies.

In **Health** insurance, we continued to fare well in terms of new business. Much of this success can be attributed to sales of the *worldwideMED* add-on package: As of the end of October, we had sold 4,467 units, amounting to a total premium of about ATS 16 million.

Life

In ATS million	First Three Quarters of 2000	Change Relative to '99
Earned premiums	5,303	+ 9.3%
Regular premiums	3,505	+ 6.5%
One-time payment	1,798	+ 15.2%
Benefits paid	3,499	+ 0.7%
Change in premium reserve	1,960	+ 25.6%

Health

In ATS million	First Three Quarters of 2000	Change Relative to '99
Earned premiums	2,497	+ 2.2%
Benefits paid	2,466	+ 0.3%

The Wiener Städtische Group in the First Three Quarters of 2000

In the first three quarters of this year, the **Wiener Städtische Group** boosted consolidated premium income by 15.0%, to ATS 27,818 million. Much of this growth was thanks to our **foreign subsidiaries**, which achieved premium income of ATS 5,418 million in the period from January to September (a 60.1% increase). Our foreign subsidiaries accounted for 19.5% of group premium income.

The most impressive growth rate (64.3%) was posted by Kooperativa of the Czech Republic, which has scored some big successes in that country's auto third party liability insurance market, which was privatized at the beginning of 2000. It is our biggest foreign subsidiary, and generated premium income of ATS 3,618 million in the first three quarters of 2000. In Germany, our subsidiaries InterRisk Versicherungs-AG and InterRisk Lebensversicherungs-Aktiengesellschaft, acquired in May 2000, generated consolidated premium income of ATS 852 million (+ 89.2%) in the first nine months of the year.

In **Austria**, the Wiener Städtische Group boosted consolidated premium income by 7.6% in the first three quarters, to ATS 22,400 million. CA-Versicherung posted the most rapid growth, with a 76.7% increase in premium income, to ATS 1,544 million.

Participating Interests in Austria

In ATS million	Premiums written, 1st 3 Q. of 2000	Change Relative to '99	Non-life, 1st 3 Q. of 2000	Change Relative to '99	Life, 1st 3 Q. of 2000	Change Relative to '99
Donau*	5,065	+ 9.6%	3,530	+ 10.1%	1,535	+ 8.6%
VJV	2,485	- 1.8%	1,353 **	- 1.0%	1,132	- 2.8%
Union	2,441	+ 18.4%	42	+ 10.5%	2,399	+ 18.5%
CA Versicherung	1,544	+ 76.7%	6	+ 3.7%	1,538	+ 77.2%
Montan	255	+ 39.3%	255	+ 39.3%	-	-

* includes Donau Broker Line, formerly Sun Alliance (ATS 240.6 million)

** includes ATS 65 million in Health insurance

Participating Interests Abroad

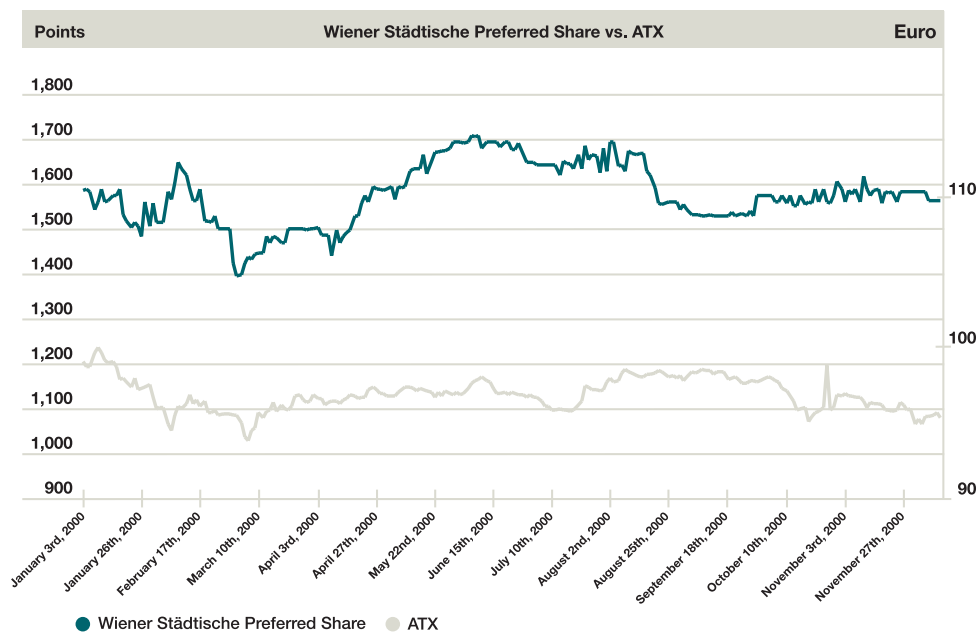
In ATS million	Premiums written, 1st 3 Q. of 2000	Change Relative to '99	Non-life, 1st 3 Q. of 2000	Change Relative to '99	Life, 1st 3 Q. of 2000	Change Relative to '99
Kooperativa (SK)	590	+ 24.9%	460	+ 22.2%	130	+ 35.6%
Kooperativa (CZ)	3,618	+ 64.3%	3,225	+ 61.1%	393	+ 95.9%
Heros	254	+ 35.2%	254	+ 35.2%	0	-
Union	78	+ 11.3%	13	+ 39.0%	65	+ 7.1%
InterRisk***	852	+ 89.2%	474	+ 5.2%	379	-
WS osiguranje	4	****	0	-	4	-
WS Italien	15	****	0	-	15	-
Vienna Life (FL)	7	****	0	-	7	-
Vienna Life (PL)	-	****	-	-	-	-

*** includes InterRisk Lebensversicherungs-AG

**** Wiener Städtische osiguranje Croatia, Wiener Städtische Italy, Vienna Life Liechtenstein and Vienna Life Poland (all newly founded)

The Wiener Städtische Preferred Share

The Wiener Städtische preferred share is listed at the Vienna Stock Exchange. By contrast with the rest of the Vienna stock market, which fared poorly, the Wiener Städtische preferred share held its ground: On December 11, 2000 it was at EUR 112.1, i.e. roughly the same level as at the end of '99 (EUR 112.4). By contrast, the ATX fell 9.8% during the period.



Outlook

The **result for 2000** will largely hinge on developments in international financial markets. In view of the current situation on the stock markets, we are unlikely to achieve the result that we forecast. Ultimately, the result will depend on the markets' performance over the last few weeks.

The **tax on provisions** stipulated in the *Budgetbegleitgesetz* [Budget Implementation Act] will have a serious impact on the insurance industry and its customers. Basically it will constitute a tax on losses! As results have trended downwards over the last few years, the insurance industry won't be able to wholly bear the heavier tax burden in property insurance, which means premiums will have to be modified. This is particularly regrettable in light of the 1999 increase in the tax burden in life insurance and the 50% increase in the tax burden in auto insurance in 2000.