

14 November 2007

Please note: this is a translation; only the German version of this release is legally binding.

## Vienna Insurance Group:

### Record result for Quarters 1 - 3 of 2007

**At EUR 324 million, profit (before taxes) is already up from the full-year profit for 2006**

**CEE profit growth of over 52 percent exceeds profit growth in Austria**

**Five billion euro mark in Group premium income surpassed for the first time in nine-month period**

**Planned dividend increase for 2007 by approx. 34 percent**

### Ambitious management goals until 2010:

**Profit target 2010: EUR 770 million**

**Premium target 2010: EUR 10 billion**

*"As expected, the successful implementation of our strategy is bearing fruit", Günter Geyer, CEO, comments on the excellent result achieved by the Vienna Insurance Group in the first nine months of the current year. "We have almost doubled the premium volume in our markets in CEE over the last two years, have further increased our lead as number one in Austria, and the Group's current profit (before taxes) already equals last year's result.*

*By establishing ourselves in the intended CEE markets we have now prepared the ground for achieving even more ambitious goals: for the year 2007 Group's profit (before taxes) of approx. EUR 435 million, for the year 2008 Group's profit (before taxes) of approx. EUR 530 million, for the year 2010 Group's profit (before taxes) of approx. EUR 770 million and moreover a total premium income 2010 of approx. EUR 10 billion."*

## I. KEY GROUP DATA FOR QUARTERS 1 – 3/2007

With **consolidated premiums written** (without other insurance participations) of **EUR 5.03 billion** in the aggregate, the **Vienna Insurance Group** in the first three quarters of 2007 achieved an increase of **16.5 percent** as compared to the same period of the previous year. Thus, the **five billion euro mark** was surpassed for the first time at the end of the third quarter.

The **Group's profit (before taxes, consolidated)** was increased by a **remarkable 40.5 percent** to **EUR 324.21 million** in the first three quarters of the current year. Thus, the overall result of the year 2006 was surpassed already after only nine months.

At **95.9 percent**, the **combined ratio of the Group after reinsurance** (not considering investment income) was improved as compared to the previous year's figure (97.0 percent) in spite of the storm damage suffered in the current year.

The **financial result** was **EUR 743.08 million** in the first nine months of the current year and was up by a **remarkable 38.0 percent** from the same period of the previous year. This positive financial result underscores the rightness of the **conservative investment policy** pursued by the Vienna Insurance Group. The Vienna Insurance Group did not make investments in the US subprime market and did not get involved with companies whose portfolios include such investments. Thus for the Group, no negative effects are expected now or in the future.

The **expenses for claims incurred** in the **property/casualty segment** amounted to **EUR 1.31 billion**. Despite storm damage the expenses rose sub-proportionally relative to the premiums, namely by **15.3 percent**. The **expenses for claims and insurance benefits** from the **life segment** amounted to **EUR 2.06 billion (up 23.1 percent)**.

The total **investments** of the **Vienna Insurance Group** increased from EUR 19.60 billion as of 31 December 2006 to **EUR 22.10 billion** as of 30 September 2007. This translates to a **12.7 percent** increase.

## II. DATA FOR THE GROUP FOR QUARTERS 1 – 3/2007, CLASSED BY SEGMENTS (consolidated)

In the first nine months of the current year, the **Vienna Insurance Group** was able to continue reporting **double-digit growth rates** in premium income both in the property/casualty segment and in the life segment.

In total, the **Group's income in terms of premiums written** amounted to **EUR 5.03 billion**, and was thus **up 16.5 percent** from the same period of the previous year.

In the **CEE countries**, premiums amounted to **EUR 2.12 billion**, surpassing the previous year's level by a significant **31.6 percent**.

In the **non-CEE countries** (Austria, Germany, Liechtenstein), the Group companies generated a premium income of **EUR 2.91 billion** in the first three quarters of 2007, which translates to a **7.5 percent** growth. **Austria** accounted for a **premium volume** of **EUR 2.74 billion**, which means an increase of **7.3 percent**.

## 1. BUSINESS SEGMENT RESULTS

### Property/casualty insurance

In **property/casualty insurance**, the Group's income in terms of premiums written again increased remarkably, by **15.7 percent**, attaining a total of **EUR 2.79 billion**.

After the one billion euro mark in premium income had been attained in the **CEE countries** already in the first half-year period in this segment, now the **one and a half billion euro mark** was surpassed after only nine months - with the Group companies posting a **premium volume** in the amount of **EUR 1.53 billion (up 28.5 percent)**. This brings the share of premium income from this segment that has been generated in CEE to approx. 55 percent.

In the **non-CEE countries**, **premiums written** in the amount of **EUR 1.26 billion** were generated in this segment (up **3.2 percent** as compared to the same period of the previous year). Of this, **EUR 1.21 billion (a plus of 3.1 percent)** were achieved in **Austria**, and **EUR 49.40 million (a plus of 5.7 percent)** in the **other markets** (Germany, Liechtenstein).

### Life insurance

The life sector again posted the highest increase in premiums, reaching the **two billion euro mark** for the first time in any nine-month period. In total, the **premium volume** of the Group companies increased by **19.4 percent**, attaining **EUR 2.01 billion**.

At **40.1 percent** premium growth was also excellent in the **CEE markets**, where **premium income** amounted to **EUR 589.48 million**.

In the **non-CEE countries**, the **premium income** in the life insurance business was at **EUR 1.42 billion**, thus rising by **12.5 percent** as compared to the same period of the previous year. The Group companies in **Austria** generated a premium volume of **EUR 1.29 billion** and the **other markets** (Germany, Liechtenstein) posted a premium volume of **EUR 125.86 million**.

### Health insurance

In the health insurance segment, the **premium income of the Vienna Insurance Group** amounted to a total of **EUR 231.12 million (up 2.7 percent)** from the first nine months of 2006). The products from this business segment are only offered to a relevant extent by Wiener Städtische Versicherung AG as one of the leading health insurers in Austria.

## 2. GEOGRAPHIC RESULTS

### Austria

In Austria, the **Vienna Insurance Group**, with its total growth of **7.3 percent** and **income from premiums written** amounting to **EUR 2.74 billion**, clearly outperforms the market in terms of growth in the first nine months of the current year. Notably significant is the share of Wiener Städtische Versicherung AG Vienna Insurance Group in the corporate business segment, where it already has a market share of approx. 40 percent.

At **EUR 206.80 million, profit (before taxes)** was boosted by an excellent **36.3 percent** in the first nine months of the current year.

## Czech Republic

In the Czech Republic, the Group companies of the **Vienna Insurance Group** in the first nine months of the current year achieved a total **income from premiums** written of **EUR 842.27 million**, which translates to an increase of **8.6 percent**. With a total market share of **26.3 percent**, the Vienna Insurance Group continues to **rank second on the market**, thus further decreasing its distance to the former state monopoly insurer.

In the **non-life segment**, the **premium income** generated in the first three quarters of the current year amounted to **EUR 637.06 million (up 6.5 percent)**. In the **life segment**, **premium income** amounted to **EUR 205.21 million**, thus growing by **15.7 percent**.

**Profit (before taxes)** in the first nine months of 2007 was **EUR 57.65 million**, which amounts to an increase of **49.6 percent**.

## Slovakia

With a **market share of 28.5 percent**, the **Vienna Insurance Group** ranks **number two** on the market in Slovakia and was able to improve its market shares in the non-life segment and in the life segment by 1.6 percentage points and 2.2 percentage points, respectively, as compared to the same period of the previous year. It is **market leader** in **motor third party liability insurance (41.4 percent market share)** and in **motor own damage insurance (37.1 percent market share)**.

In the first nine months of the current year, the Group companies, posting **premiums written** in the amount of **EUR 362.79 million**, generated an outstanding **26.4 percent** growth as compared to the same period of the previous year. In the life segment, the increase even amounted to **38.6 percent**, corresponding to a premium volume of EUR 136.06 million, while the non-life segment was boosted by a vigorous **20.0 percent** to attain EUR 226.73 million in premium income.

**Profit (before taxes)** was increased by **27.6 percent** to **EUR 26.10 million** in this period.

## Poland

Due to a period of dynamic growth, the Group companies in Poland have reached a size that justifies presenting their segment results separately for the first time.

In Poland, the **Vienna Insurance Group** already ranks an outstanding **fifth** on the market in the **non-life** segment.

In the first nine months of the current year, the Group companies generated a total **income in terms of premiums** written of **EUR 390.73 million**, thus posting a record growth of **68.0 percent**. Extremely pleasing was the increase in premium income achieved in the life segment, where the premium volume grew by **91.8 percent** to **EUR 150.56 million**.

**Profit (before taxes)** for the first three quarters 2007 was more than doubled and amounted to **EUR 13.21 million**.

## Romania

Market leadership and the growth of the Group companies in Romania are also reflected for the first time in a separate presentation of their segment results.

In Romania, the Vienna Insurance Group is clearly **number one** on the insurance market. Leaving the participation in Asirom out of account, the Group companies of the Vienna Insurance Group hold the **leading position** on this insurance market, with a **market share of over 17 percent**. With the participation in Asirom added, the market share is at approx. 27 percent.

In the period comprising quarters 1 to 3 of 2007, the Romanian Group companies (excluding Asirom) had a total premium income of **EUR 301.73 million** (up **80.4 percent**). Really excellent was the premium development in the **property/casualty** segment, boasting a premium volume of **EUR 291.04 million** and a **83.2 percent** increase as compared to same period of the previous year. In the life segment, premium income amounted to EUR 10.68 million (up 27.2 percent).

In the first nine months of 2007, **profit (before taxes)** increased to **EUR 4.41 million** (up **29.2 percent**) as compared to the previous year period.

Beginning of November 2007, **Wiener Städtische Versicherung AG Vienna Insurance Group** acquired a majority holding in **SC Asigurarea Romaneasca Asirom S.A.** (Asirom) following the purchase of 30 percent of the shares from the Romanian Interagro S.A. in July 2007. With this transaction, Wiener Städtische Versicherung AG Vienna Insurance Group owns some 50.2 percent of the company. In accordance with the Romanian legal regulations, Wiener Städtische Versicherung AG Vienna Insurance Group will make a compulsory offer to the remaining shareholders of exchange-listed Asirom soon.

## Other CEE (for the first time excluding Poland and Romania)

In the following countries of the "other CEE" area, the Vienna Insurance Group is among the market leaders on the respective insurance markets: **Bulgaria** (number one); **Georgia** (number two); **Albania** (number three).

The result of the other Group companies of the Vienna Insurance Group in the first three quarters of 2007 includes the following countries: Bulgaria, Croatia, Serbia and Hungary.<sup>1</sup>

The **premium income** of the other Group companies of the **Vienna Insurance Group in CEE** rose to **EUR 222.32 million** in the aggregate (a plus of **49.0 percent**).

**Profit (before taxes)** in this segment in the first nine months of the current year more than doubled to **EUR 4.96 million**.

## Other markets

The Group companies in **Germany and Liechtenstein** in the first nine months 2007 generated **premiums written** in the amount of **EUR 175.26 million** (up **10.2 percent**).

**Profit (before taxes)** was at **EUR 11.09 million** (up **21.4 percent**).

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<sup>1</sup> Not included: the companies of the Vienna Insurance Group in Georgia, Ukraine, Russia, Belarus and the acquisitions in Turkey and Albania.

### **III. INCREASE OF THE DIVIDEND FOR 2007 PLANNED**

The systematic implementation of the Group's policy as well as the increase in income and profit and the ensuing improvement of the positions on the most important markets in the first nine months of the current year make it possible to **raise the dividend for the year 2007 from EUR 0.82 to EUR 1.10 per share** – subject to the approval of the competent corporate bodies.

### **IV. MANAGEMENT SETS AMBITIOUS TARGETS UNTIL 2010**

**Profit (before taxes) 2007:** approx. **EUR 435 million**

**Profit (before taxes) 2008:** approx. **EUR 530 million**

**Profit (before taxes) 2010:** approx. **EUR 770 million** and moreover a **premium volume** in the amount of approx. **EUR 10 billion**.

The Vienna Insurance Group is the leading Austrian insurance group in Central and Eastern Europe. Among the international competitors, the Vienna Insurance Group is among the market leaders.

Outside its Austrian home market, the Vienna Insurance Group operates (through subsidiaries) in Albania, Belarus, Bulgaria, Croatia, the Czech Republic, Georgia, Germany, Hungary, Liechtenstein, Macedonia, Poland, Romania, Russia, Serbia, Slovakia, Turkey and Ukraine. Branch offices are maintained in Italy and Slovenia. Alongside WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group, the Vienna Insurance Group in Austria includes Donau Versicherung and Bank Austria Creditanstalt Versicherung. The Group also has ownership interests in Wüstenrot Versicherung and Sparkassen Versicherung.

The Vienna Insurance Group is among the market leaders in Austria, the Czech Republic, Slovakia, Romania, Bulgaria, Albania and Georgia.

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## Consolidated Balance Sheet (IFRS) 30 Sept. 2007

Assets (in EUR '000)	30/09/2007	31/12/2006	+/- %
A. Intangible assets	502,694	461,447	8.9
B. Investments	19,212,272	17,260,368	11.3
C. Investments of unit- and index-linked life insurance	2,886,767	2,340,578	23.3
D. Reinsurers' share in underwriting provisions	1,149,438	963,314	19.3
E. Receivables	1,161,251	983,703	18.0
F. Deferred tax assets	31,853	23,543	35.3
G. Other assets	252,467	224,058	12.7
H. Cash and cash equivalents	224,012	226,443	-1.1
<b>Total Assets</b>	<b>25,420,754</b>	<b>22,483,454</b>	<b>13.1</b>

Liabilities and Shareholders' Equity (in EUR '000)	30/09/2007	31/12/2006	+/- %
A. Shareholders' equity	2,408,729	2,283,208	5.5
B. Subordinated liabilities	433,447	413,200	4.9
C. Underwriting provisions	16,874,482	14,628,421	15.4
D. Unit- and index-linked underwriting provisions	2,804,703	2,238,861	25.3
E. Non-underwriting provisions	764,203	835,634	-8.5
F. Liabilities	1,953,823	1,856,439	5.2
G. Deferred tax liabilities	111,118	121,528	-8.6
H. Other liabilities	70,249	106,163	-33.8
<b>Total Liabilities and Shareholders' Equity</b>	<b>25,420,754</b>	<b>22,483,454</b>	<b>13.1</b>

## Consolidated Income Statement (IFRS) 1 Jan. 2007 - 30 Sept. 2007

(in EUR mn)	9M 2007	9M 2006	+/- %
<i>Gross premiums written</i>	5,031.82	4,320.61	16.5
A. Net earned premiums	<b>4,220.31</b>	<b>3,586.83</b>	<b>17.7</b>
B. Net investment income	739.40	533.34	38.6
C. Other income	31.80	38.74	-17.9
D. Claims and insurance benefits	-3,567.43	-2,999.92	18.9
E. Operating expenses	-988.86	-822.06	20.3
F. Other expenses	-114.68	-111.48	2.9
Result from shares in affiliated and associated companies	3.68	5.27	-30.3
<b>Profit before taxes</b>	<b>324.21</b>	<b>230.72</b>	<b>40.5</b>
Tax expense	-61.49	-41.33	48.8
<b>Profit for the period</b>	<b>262.72</b>	<b>189.39</b>	<b>38.7</b>
Minority interests	-11.92	-7.00	70.3
<b>Net profit after minorities</b>	<b>250.81</b>	<b>182.39</b>	<b>37.5</b>

<b>Combined Ratio</b>	<b>95.9%</b>	<b>97.0%</b>
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## Consolidated Income Statement (IFRS) - Quarterly Data

(in EUR mn)	Q3 2007	Q3 2006	+/- %
<i>Gross premiums written</i>	1,538.68	1,291.30	19.2
<b>A. Net earned premiums</b>	<b>1,391.20</b>	<b>1,175.48</b>	<b>18.4</b>
B. Net investment income	189.25	176.37	7.3
C. Other income	11.15	9.71	14.8
D. Claims and insurance benefits	-1,146.84	-954.52	20.1
E. Operating expenses	-311.45	-295.73	5.3
F. Other expenses	-25.13	-25.12	0.0
Result from shares in affiliated and associated companies	0.63	1.18	-46.1
<b>Profit before taxes</b>	<b>108.81</b>	<b>87.38</b>	<b>24.5</b>
Tax expense	-20.34	-16.82	20.9
<b>Profit for the period</b>	<b>88.47</b>	<b>70.56</b>	<b>25.4</b>
Minority interests	1.71	-2.26	-175.6
<b>Net profit after minorities</b>	<b>90.18</b>	<b>68.30</b>	<b>32.0</b>
<b>Combined Ratio</b>	<b>95.8%</b>	<b>95.3%</b>	

## Segment Reporting 1 Jan. 2007 - 30 Sept. 2007

### Split by Business Segments:

(in EUR mn)	P&C		Life		Health		Total	
	9M 2007	9M 2006	9M 2007	9M 2006	9M 2007	9M 2006	9M 2007	9M 2006
<i>Gross written premiums</i>	2,793.10	2,413.76	2,007.60	1,681.82	231.12	225.03	5,031.82	4,320.61
A. Net earned premiums	1,997.47	1,690.48	1,993.93	1,673.51	228.90	222.84	4,220.31	3,586.83
B. Net investment income <sup>1</sup>	132.72	94.57	598.81	436.16	11.55	7.88	743.08	538.61
C. Other income	19.18	26.24	12.61	12.50	0.00	0.00	31.80	38.74
D. Claims and insurance benefits	-1,306.66	-1,132.95	-2,064.89	-1,677.18	-195.87	-189.80	-3,567.43	-2,999.92
E. Operating expenses	-552.09	-452.70	-406.69	-341.29	-30.09	-28.06	-988.86	-822.06
F. Other expenses	-81.28	-80.93	-31.37	-29.82	-2.04	-0.73	-114.68	-111.48
<b>G. Profit before taxes</b>	<b>209.35</b>	<b>144.71</b>	<b>102.41</b>	<b>73.87</b>	<b>12.45</b>	<b>12.14</b>	<b>324.21</b>	<b>230.72</b>

<sup>1</sup> including result from associated and affiliated companies

## Segment Reporting 1 Jan. 2007 - 30 Sept. 2007

### Split by Regions:

(in EUR mn)	Austria		Czech Republic		Slovakia		Poland	
	9M 2007	9M 2006	9M 2007	9M 2006	9M 2007	9M 2006	9M 2007	9M 2006
<i>Gross written premiums</i>	2,736.72	2,550.17	842.27	775.30	362.79	287.06	390.73	232.56
A. Net earned premiums	2,374.95	2,216.20	665.40	594.97	288.65	203.49	337.28	176.34
B. Net investment income <sup>1</sup>	631.74	460.61	35.67	29.40	17.37	12.46	18.49	10.76
C. Other income	7.28	5.49	8.69	12.33	1.61	5.19	2.23	3.97
D. Claims and insurance benefits	-2,331.68	-2,066.55	-462.40	-432.76	-199.53	-129.74	-181.33	-92.99
E. Operating expenses	-448.60	-442.15	-159.59	-132.47	-59.05	-42.86	-153.13	-87.58
F. Other expenses	-26.90	-21.86	-30.12	-32.93	-22.93	-28.07	-10.33	-5.09
<b>G. Profit before taxes</b>	<b>206.80</b>	<b>151.75</b>	<b>57.65</b>	<b>38.54</b>	<b>26.10</b>	<b>20.46</b>	<b>13.21</b>	<b>5.41</b>

(in EUR mn)	Romania		Other CEE		Other		Total	
	9M 2007	9M 2006	9M 2007	9M 2006	9M 2007	9M 2006	9M 2007	9M 2006
<i>Gross written premiums</i>	301.73	167.23	222.32	149.26	175.26	159.03	5,031.82	4,320.61
A. Net earned premiums	221.08	138.17	178.86	118.72	154.10	138.95	4,220.31	3,586.83
B. Net investment income <sup>1</sup>	6.58	2.04	17.92	9.61	15.32	13.73	743.08	538.61
C. Other income	4.64	5.46	4.14	2.79	3.22	3.51	31.80	38.74
D. Claims and insurance benefits	-138.03	-83.21	-125.86	-78.87	-128.61	-115.80	-3,567.43	-2,999.92
E. Operating expenses	-83.50	-53.17	-64.90	-44.87	-20.10	-18.96	-988.86	-822.06
F. Other expenses	-6.37	-5.89	-5.20	-5.36	-12.84	-12.29	-114.68	-111.48
<b>G. Profit before taxes</b>	<b>4.41</b>	<b>3.41</b>	<b>4.96</b>	<b>2.01</b>	<b>11.09</b>	<b>9.14</b>	<b>324.21</b>	<b>230.72</b>

<sup>1</sup> including result from associated and affiliated companies