



Vienna Insurance Group - Extending the CEE insurance play

Goldman Sachs European Financials Conference - June 2007

VIG is the Leading Austrian Insurance Group operating in 18 Countries



Market entry of Albania and Macedonia currently under way

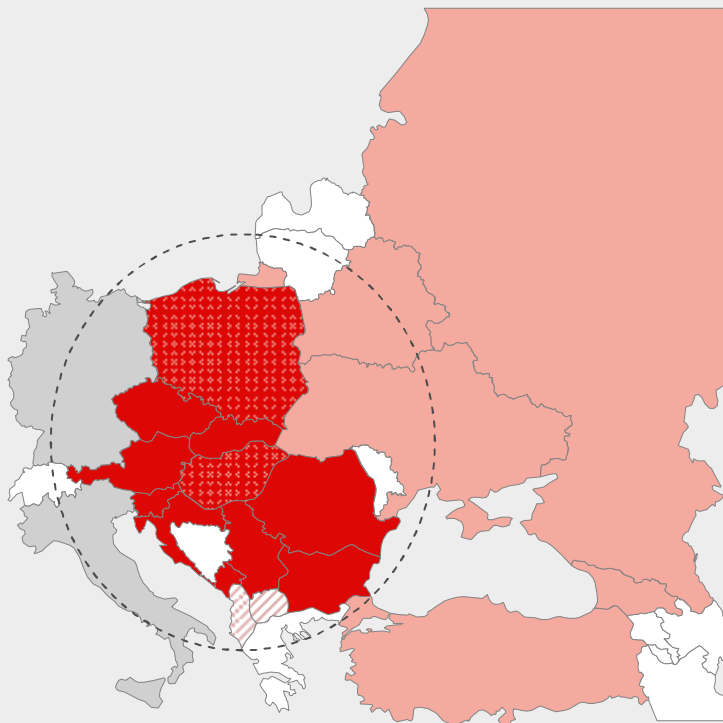
Excellent market position in Austria and CEE

Leading Position in Austria

- § #1 in Property & Casualty
- § #1 in Life
- § #2 in Health

Top 4 Positions in Croatia and Serbia & Montenegro

- § #4 in Croatia with a 7% market share
- § #4 in Serbia & Montenegro with a 6% market share



No. 2 or No. 3 in the Czech Republic, Slovakia, Romania and Bulgaria

- § #2 in the Czech Republic with a 27% market share
- § #2 in Slovakia with a 27% market share
- § #2 in Romania with a 15% market share
- § #3 in Bulgaria with a 16% market share¹

Strong Positions in Other CEE Countries

- § Poland
- § Hungary
- § Ukraine
- § Belarus
- § Slovenia

¹ Including the acquisition of Kardan Financial Services.

Note: All market shares as of YE 2006, except for Slovakia (as of Q3 2006) and Serbia (as of YE 2005)

Source: For market shares National Insurance Associations or Supervisory Authorities

VIG Enters two New Promising Markets...

...with high growth potential

	GDP Growth 2004-2006e ²	Penetration 2005	Density 2005 (USD)
EU 15	1.7%	8.6%	2,878
Austria	2.0%	6.2%	2,342
CEE ¹	4.1%	3.2%	176
Turkey	7.5%	1.6%	79
Albania	5.5%	0.4%	13

Turkish market data

Population (mn)	72.6
GDP/Capita	5,055 USD
Market Growth (01-05)	29.5%

- § market growth is driven by non-life business (+13.0% YoY)
- § 84% of insurance business is produced by agents or placed directly with insurers
- § in 2005 EU entry negotiations started with Turkey

Albanian market data

Population (mn)	3.0
GDP/Capita	2,550 USD
Market Growth (01-05)	8.8%

- § last European insurance market that was de-monopolised
- § market volume of €~36.6mn
- § booming number of contracts, market growth (~+12.0% yoy) is driven by non-life business

Acquisition Details

Ray Sigorta and Sigma

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Acquisition of Ray Sigorta

TBIH
(60% owned by VIG)

58.2%

Ray Sigorta

- § listed non-life insurance company with € 136mn premium volume (+30% YoY), market share of roughly 3.3%
- § 530 insurance agents, 220 employees and nationwide distribution system

Details of transaction:

- § Price: € 62mn for 58.2% stake
- § mandatory offer for 22 percent free float for a maximum total amount of € 23mn
- § capital increase for a maximum total amount of € 23mn in 2007 agreed

Acquisition of Sigma¹

TBIH
(60% owned by VIG)

≥ 60%

Sigma Sh.a

- § founded in 1998, non-life insurance company with € 15mn premium volume in 2006, market share of roughly 19 percent
- § present in Macedonia and Kosovo, overall 25 branch offices as well as agents

Details of transaction:

- § Price: € 13mn
- § Memorandum of understanding signed

¹ The transaction was concluded subject to the approval by the authorities.

Use of SPO Funds

~75% of SPO funds already used

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SPO 2005

In Dec. 2005 VIG raised € 900mn (net) for the following purposes:


- § ~ 50% for CEE acquisitions
- § ~ 30% to support the strong organic growth of the CEE subsidiaries
- § cushion (Solvency II)

Reported by 9M 06

- § € 417mn for acquisitions
 - § € 98mn for the organic growth
- } **€515mn**

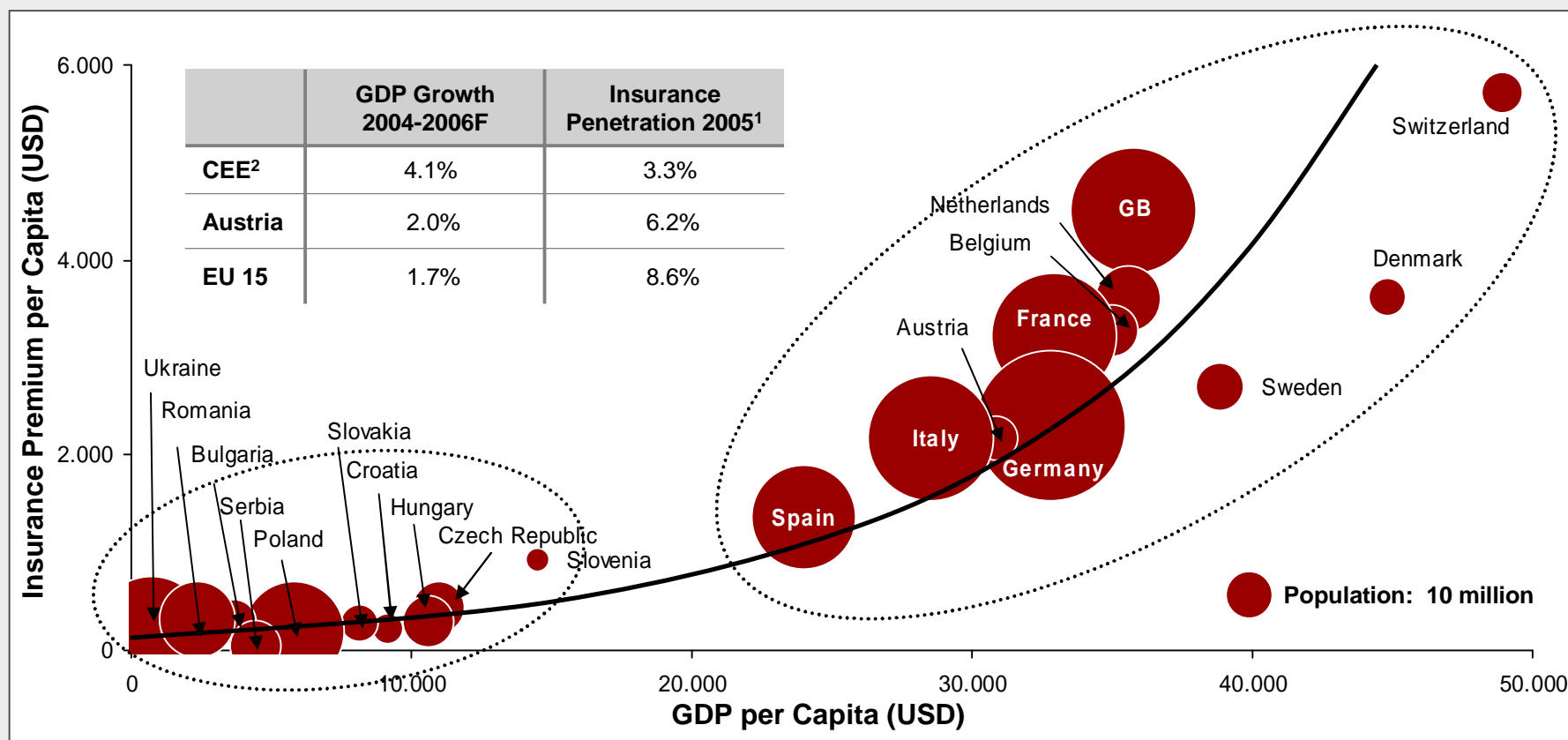
Latest Transactions

- § Albania: Acquisition of Sigma (funds attributed)
 - § Turkey: Acquisition of Ray Sigorta (funds attributed)
 - § CEE capital increases for organic growth
- } **€145mn**

 **Total funds used/attributed: €660mn**

CEE Region Offers „Double Leverage“

Sustainable growth through GDP and insurance penetration



¹ Premiums in % of GDP.

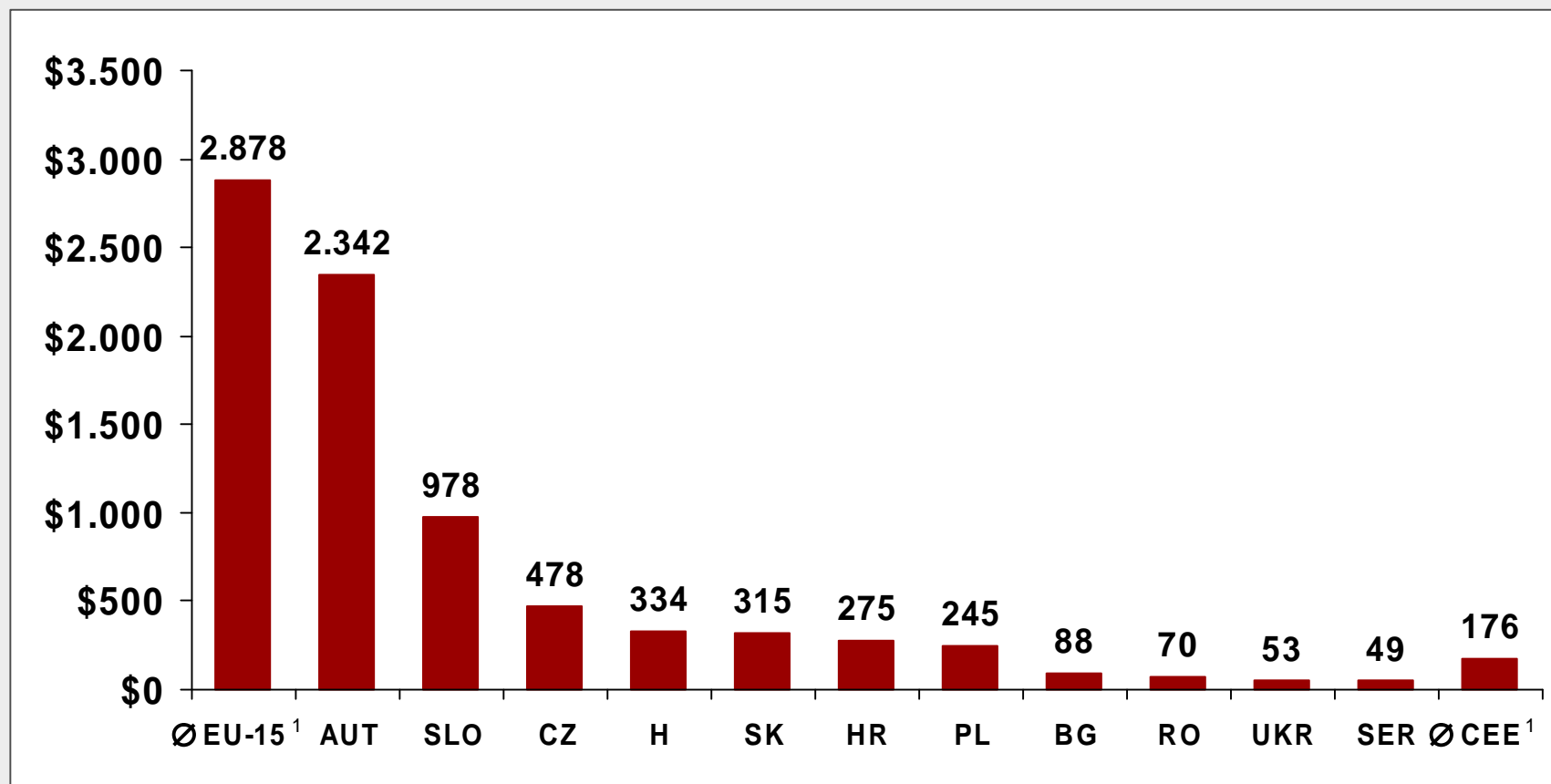
² Weighted Averages for CEE. CEE defined as Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia & Montenegro, Slovakia, Slovenia and Ukraine.

Source: For GDP Growth IMF(World Economic Outlook as of Sep 2005). For all other data Swiss Re Sigma Nr. 2/2006 (May 2006)

Significant Growth Potential in CEE for Insurance

Insurance Density, 2005 (Premiums per Capita)

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Source: Swiss Re, Sigma Nr. 5/2006

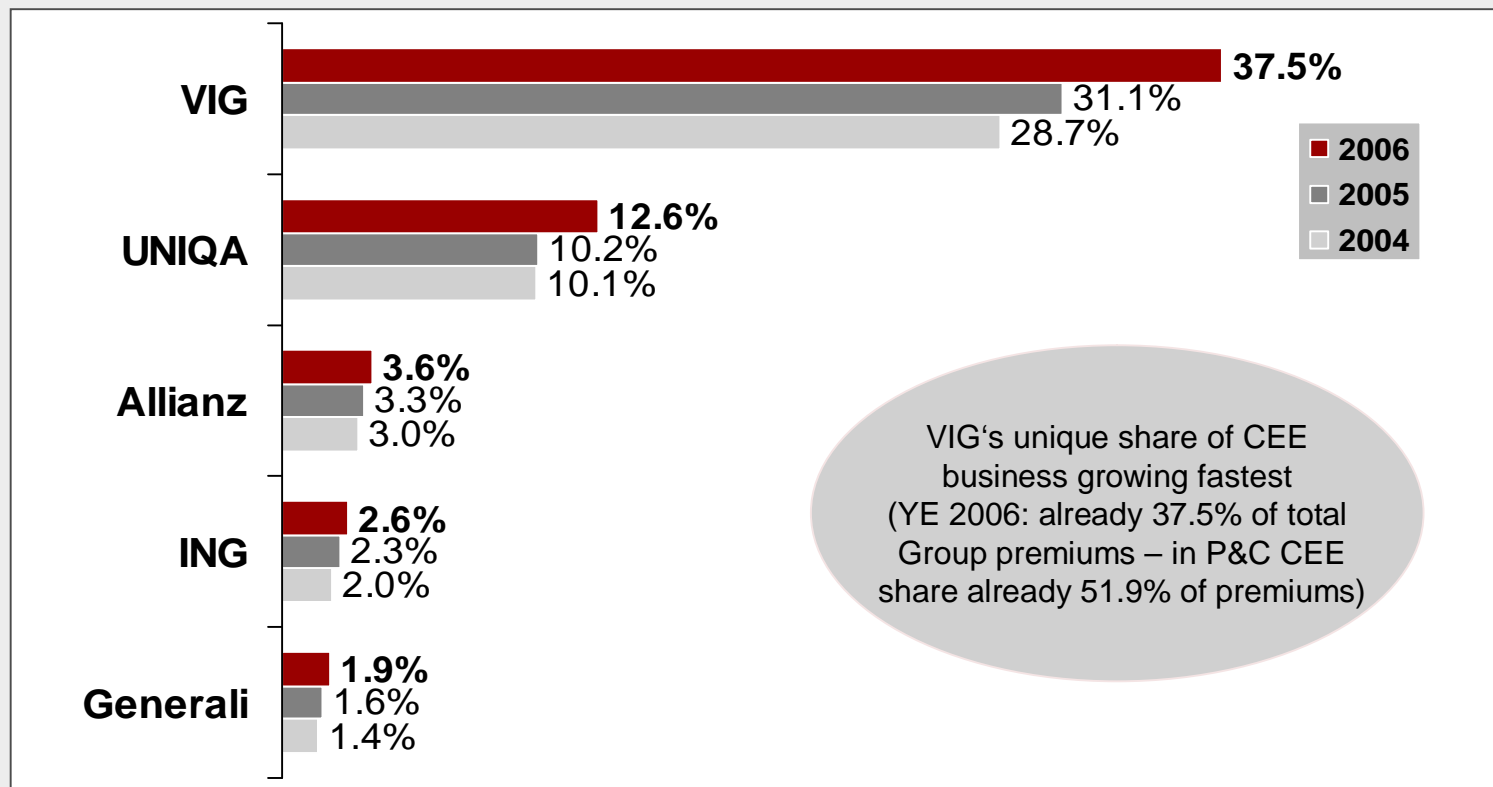
¹ Weighted Average excluding Russia (Russia USD 123 premiums per capita – Weighted Average including Russia USD 151)

Largest CEE Insurance Pure Play

Only Vienna Insurance Group widely captures CEE potential

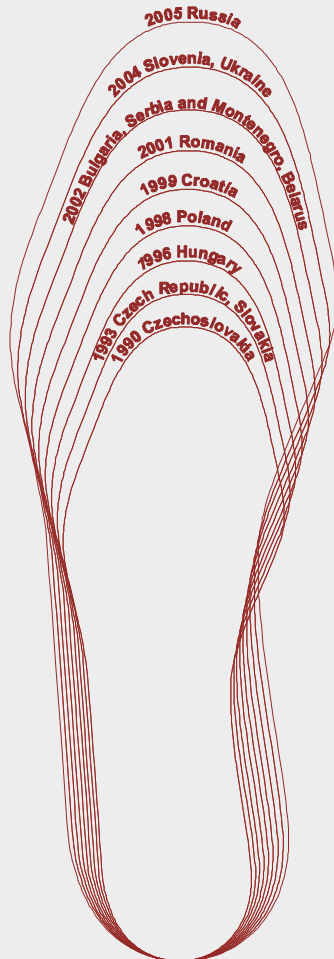
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CEE Premiums as % of Total Group Premiums



Source: Publicly available information; CEE share of Aviva unavailable

VIG Has Been a Pioneer in the CEE Region Following a Very Targeted Expansion Strategy



§ Focus

- Retail

§ Investment philosophy

- Step-by-step market entry
- Tight operational management
- 2-4 years to reach break-even, accelerated growth thereafter
- Czech and Slovak businesses have reached >20% RoE before tax

VIG: Attractive Franchise (I)

Distribution is key: Multi-brand strategy



- § VIG is umbrella brand
- § local companies keep well established brands to support distribution

VIG: Attractive Franchise (II)

Distribution is key: Multi-channel strategy

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Strong Multi-Channel Distribution

§ Austria:

Roughly 30/30/30% split between tied agents/ bank distribution/ brokers etc. in new business

§ CEE:

Different from country to country according to market practice and legal regulations



VIG in Austria

Attractive franchise plus growth potential in life insurance

§ Leading market position in all business lines

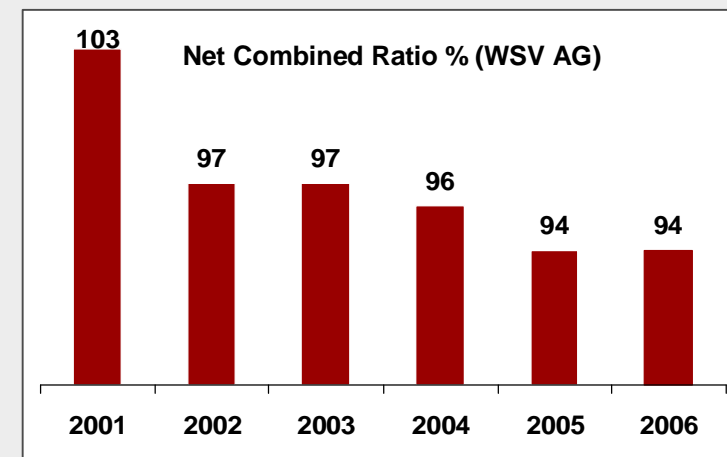
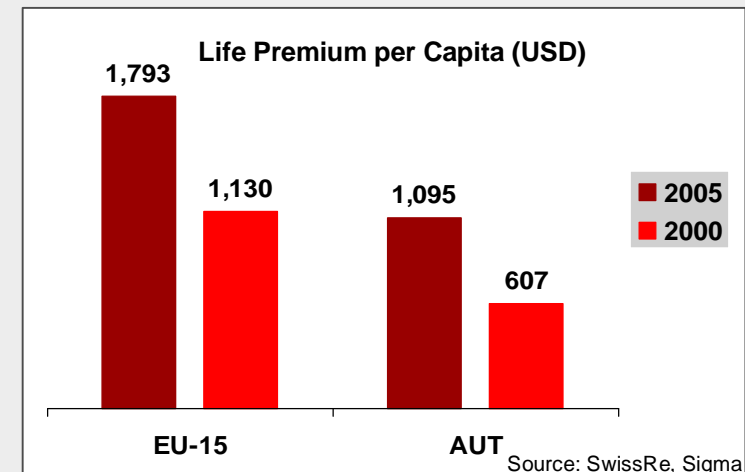
- #1 in property & casualty with 22% market share
- #1 in life with 25% market share
- #2 in health with 21% market share

§ Overall market share gains through organic growth

§ Austrian P&C highly profitable with declining C/R

§ strong growth potential in life insurance: Austria lags behind EU-15 in premium per capita

§ Ongoing reforms of social security system to generate strong demand for life savings products



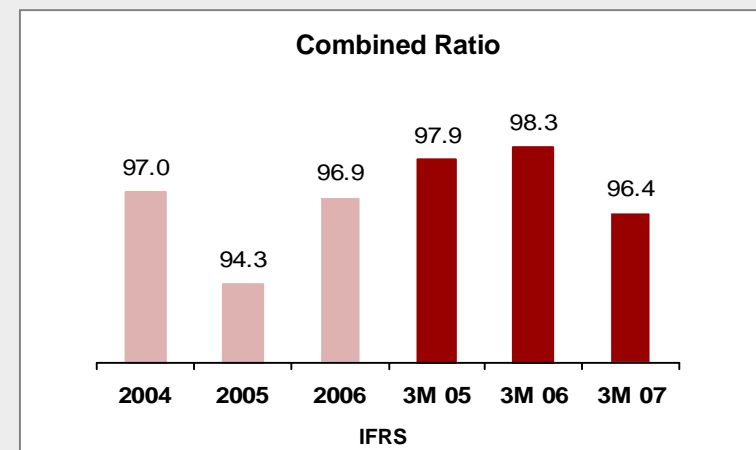
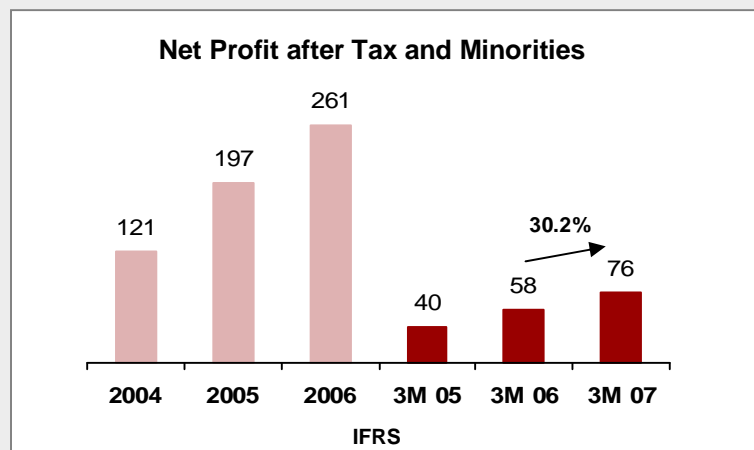
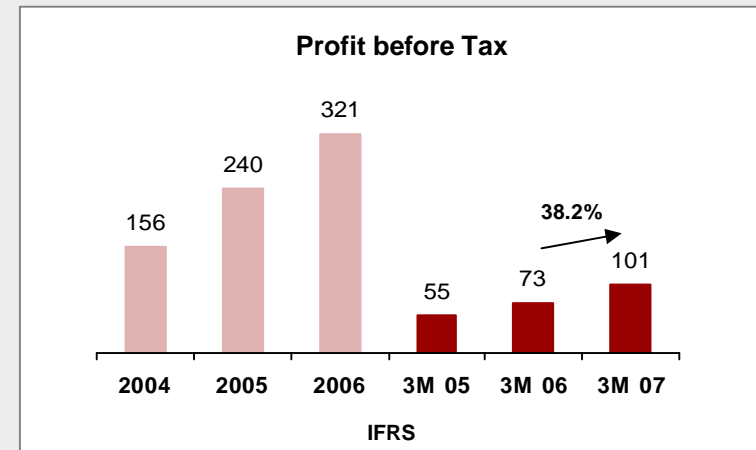
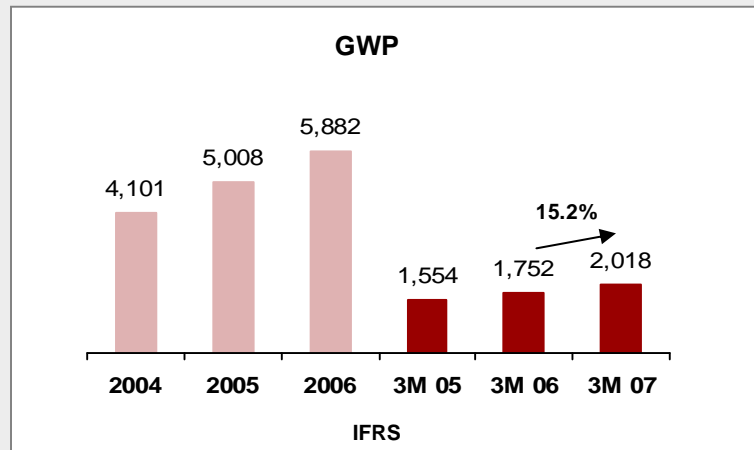


Vienna Insurance Group- Financials

3M 2007 Highlights and Targets

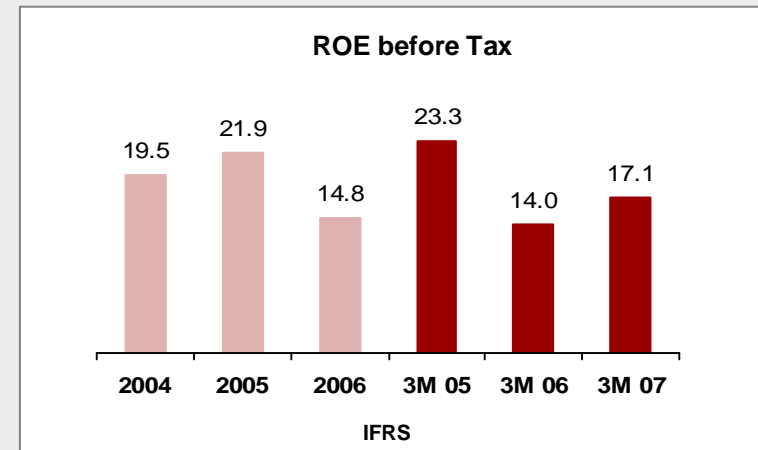
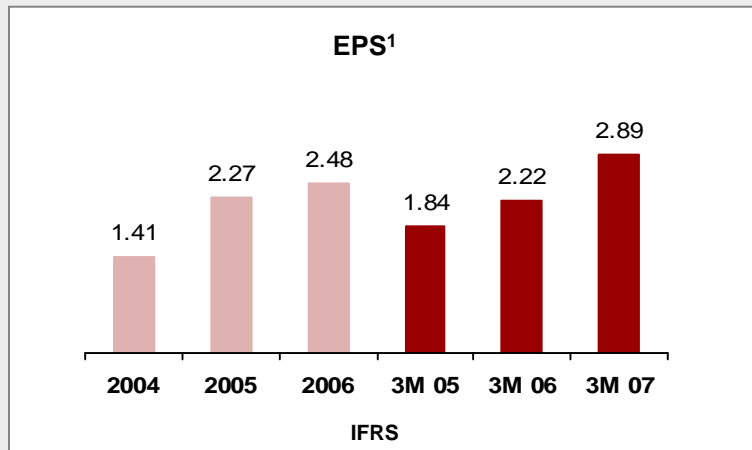
3M 2007 Highlights (I)

GWP up by 15.2%; Combined ratio improved significantly vs. 3M 2006



3M 2007 Highlights (II)

EPS stepping up swiftly

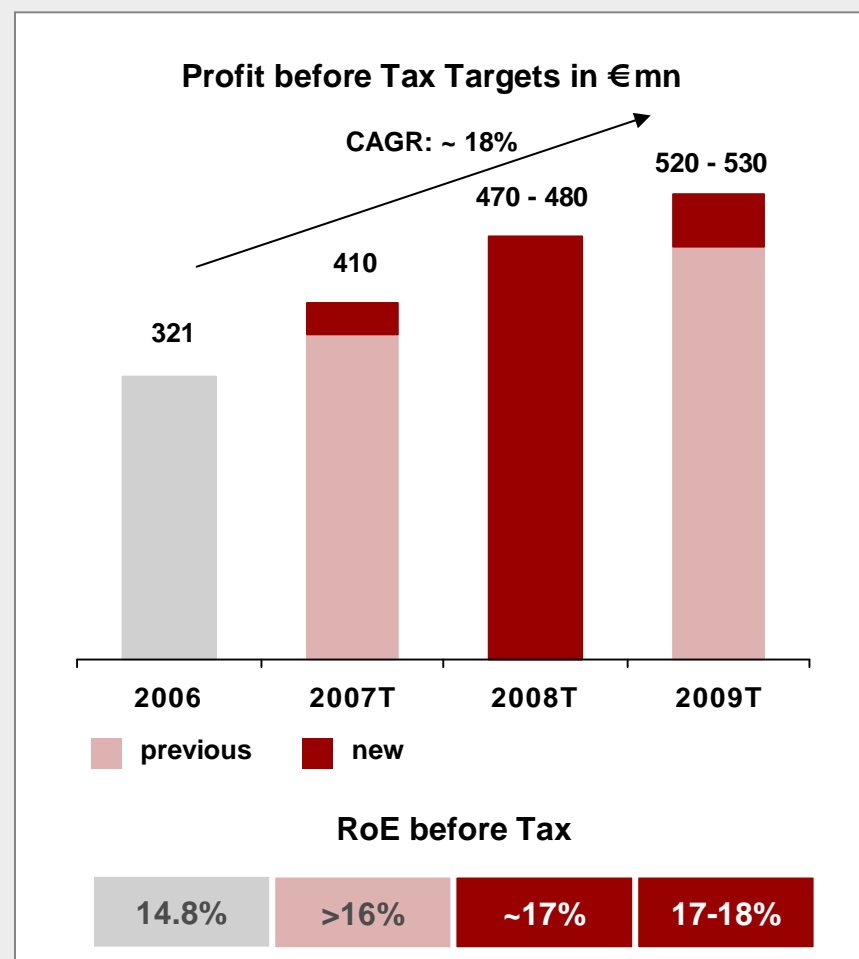


¹ quarterly figures annualised

Financial Targets

New targets set for 2007 - 2009

- § Rising contribution from CEE companies and full consolidation of Union life subsidiary provides the basis for management to set new financial targets
- § New PBT target for 2007 results in 28% increase vs. PBT for 2006
- § Previous PBT of 470mn for 2009 now set already for one year earlier
- § It is company policy to keep the Combined Ratio well below 100% throughout the business cycles
- § VIG dividend policy is defined as payout ratio of min. 30% of Group net profit



Contact Details



Investor Relations

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Wiener Städtische Versicherung AG

Vienna Insurance Group

Schottenring 30, 1010 Vienna, Austria

www.wienerstaedtische.com

Vienna Stock Exchange:	WST
Reuters:	WISV.VI
Bloomberg:	WST AV
Datastream:	O:WNST

§ **Thomas Schmee**

Tel. +43 (0)50 350 – 21900

t.schmee@staedtische.co.at

§ **Nina Higatzberger**

Tel. +43 (0)50 350 - 21920

n.higatzberger@staedtische.co.at

§ **Nicolas Mucherl**

Tel. +43 (0)50 350 – 21930

n.mucherl@staedtische.co.at

§ **Sabine Pulz (Assistant)**

Tel. +43 (0)50 350 - 21919

s.pulz@staedtische.co.at

Fax +43 (0)50 350 99 - 23303

investor.relations@staedtische.co.at

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