



Vienna Insurance Group

Half Year 2006 results

Recent developments

VIG expanding rapidly its unique CEE business position

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- Share of CEE subsidiaries in total Group premiums has already reached an outstanding 35% after 31% at YE 05. CEE P&C premiums account for 47% of Group P&C premiums (45% at YE05)
- Russian joint venture with MSK insurance going operative; Life insurance company MSK Life in which VIG holds a 25% stake has received licence in August 2006 and will sell its products through the distribution networks of MSK insurance and the Bank of Moscow
- Increase of stake in TBIH well ahead of plan including beneficial focus on VIG core business

Restructuring of TBIH – VIG Takes Majority

Focus on insurance

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New Ownership Structure

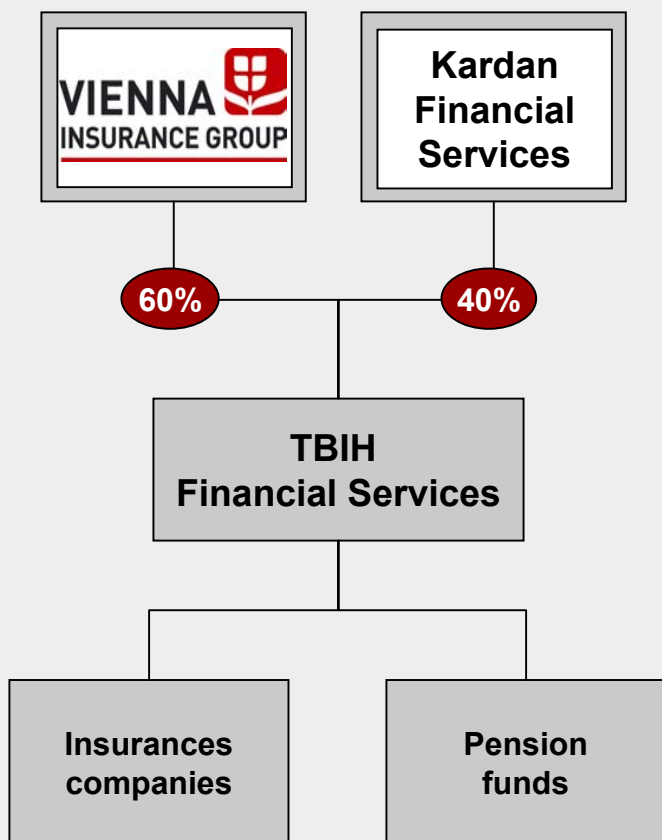
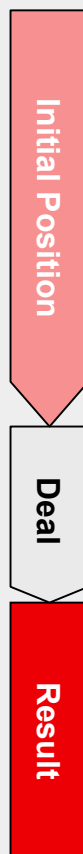


Illustration of the Transaction

- VIG holds a 40% minority stake in Kardan Financial Services (KFS)
- KFS was the major shareholder of TBIH, a holding company which was invested in insurance companies, pension funds & in lending and asset management businesses
- Conversion of the 40% stake in KFS into a 60% direct interest in TBIH
- Majority interest in TBIH – focus on insurance and pension funds
- The business segments Lending & Asset Management are directly assigned to KFS



Use of SPO Funds

More than 50% of raised funds already used

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SPO 2005

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

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

Used by May 2006

- € 290 mn for acquisitions
 - € 50 mn for the organic growth
- } € 340 mn

Latest Transactions

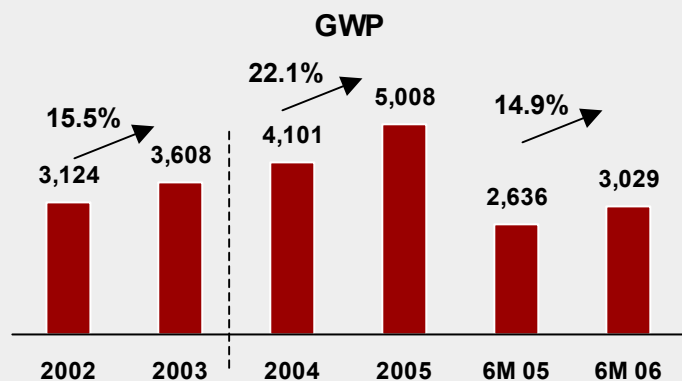
- TBIH:
 - € 34 mn net investment
 - € 57 mn long-term loan to Kardan Financial Services
 - € 34 mn capital increase for organic growth in CEE
- } € 125 mn



Total funds used: **€ 465 mn**

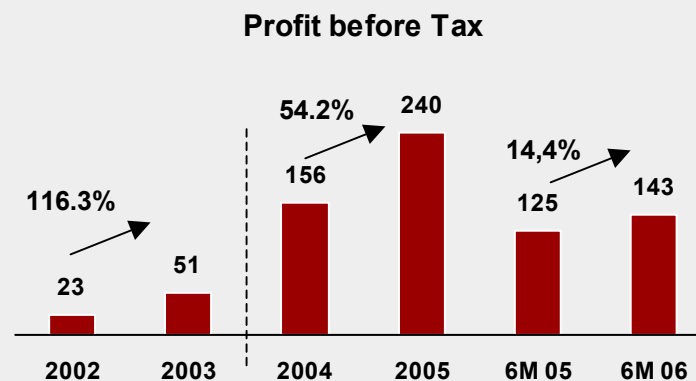
HY 2006 Highlights (I)

Continued earnings growth



Austrian HGB

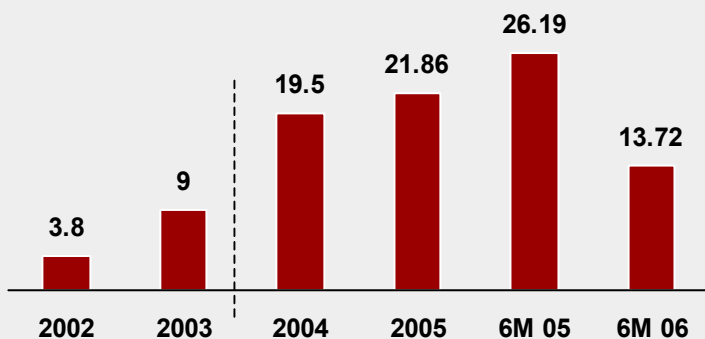
IFRS



Austrian HGB

IFRS

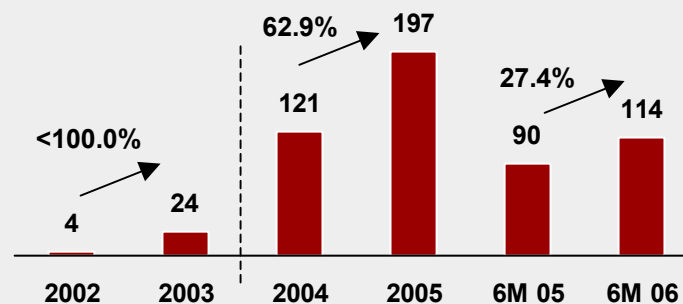
RoE before Tax



Austrian HGB

IFRS

Net Profit after Tax and Minorities



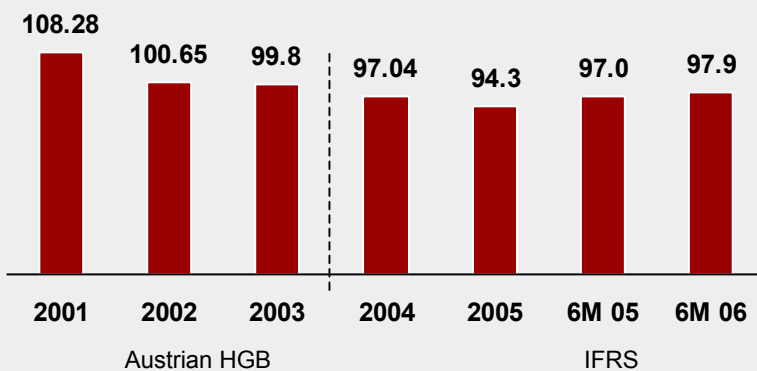
Austrian HGB

IFRS

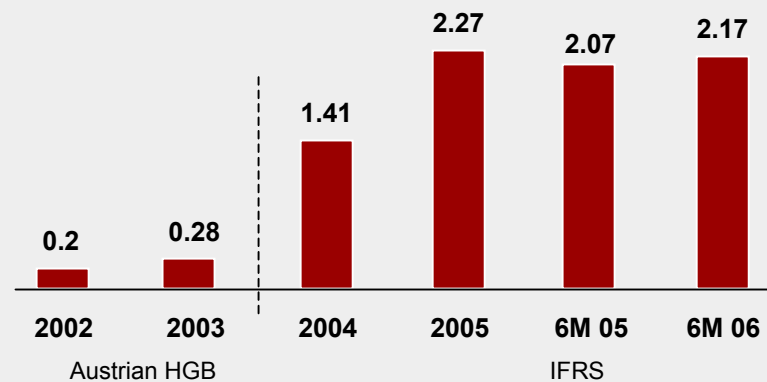
Note: For 2002-2003 according to Austrian HGB, as of 2004 according to IFRS

HY 2006 Highlights (II)

Net Combined Ratio



EPS*



* 6M figures annualised

Vienna Insurance Group – HY 2006 results

P&L and Balance Sheet

HY 2006 Income Statement

IFRS (€m)

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	6M 2006	6M 2005	+/- %
1. Gross written premiums	3,029.3	2,635.5	14.9
2. Net earned premiums	2,411.3	2,079.9	15.9
3. Net investment income ¹	361.1	305.5	18.2
4. Other income	29.0	8.4	>100.0
Total income	2,801.4	2,393.8	17.0
6. Expenses for claims incurred	-2,045.4	-1,756.0	16.5
7. Operating expenses	-526.3	-435.2	20.9
8. Other expenses	-86.4	-77.4	11.5
Total expenses	-2,658.1	-2,268.6	17.2
Profit before tax	143.3	125.3	14.4
Taxes	-24.5	-30.1	-18.4
Net profit before minorities (Profit for the year)	118.8	95.2	24.8
Minorities	-4.7	-5.7	-16.1
Net profit after minorities	114.1	89.5	27.4

¹ including income from associated and affiliated companies

HY 2006 Balance Sheet

IFRS (€m)

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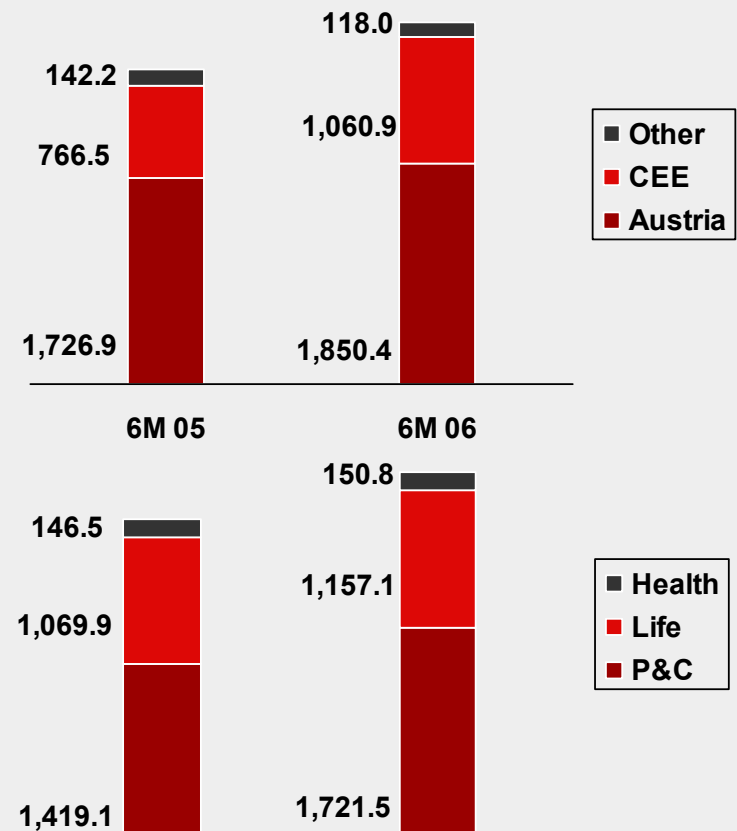
	30-Jun-06	31-Dec-05	+/- %
Intangible assets	444	317	40.0
Total investments	16,180	15,163	6.7
Unit- and index-linked investments	1,936	1,762	9.9
Reinsurers' share in technical provisions	987	840	17.4
Receivables	1,008	857	17.7
Deferred tax assets	19	12	62.8
Other assets	197	201	-1.6
Cash and cash equivalents	171	290	-41.2
Total assets	20,942	19,441	7.7
Shareholders' equity	2,055	2,059	-0.2
<i>thereof minorities</i>	70	58	20.2
Subordinated liabilities	413	413	0.0
Technical provisions	13,807	13,086	5.5
Unit- and index-linked technical provisions	1,876	1,730	8.4
Non-technical provisions	825	871	-5.3
Liabilities	1,800	1,075	67.5
Deferred tax liabilities	89	124	-28.2
Other liabilities	77	83	-6.4
Total liabilities and equity	20,942	19,441	7.7

HY 2006 P&L Major Items – Gross Written Premiums

Austria sound growth; Czech Republic and Slovakia improved vs. Q1 (€m)

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- Group GWP increased by 14.9% to € 3,029mn.
- Austria: total GWP up 7.2% to reach €1.85bn. Life up 6.3% at €817.5mn and non-life up 8.8% at 882.2mn
- In the Czech Republic GWP increased by 22.0% to €532.7mn. Net of the CPP acquisition non-life premiums were up 3.7% (21.3% incl. CPP) against a weak market, while life recorded an increase of 8.8% (24.6% incl. CPP)
- In Slovakia business grew by 5.7% to reach €158.1mn, influenced by MTPL prices and high life single premiums in 1st HY 05.
- High growth in Other CEE markets of 123.7% to €328.7mn, with strong contribution both from organic growth and new acquisitions
- Other Markets saw decrease of 17.0% due to expected volatility of single premiums in Liechtenstein

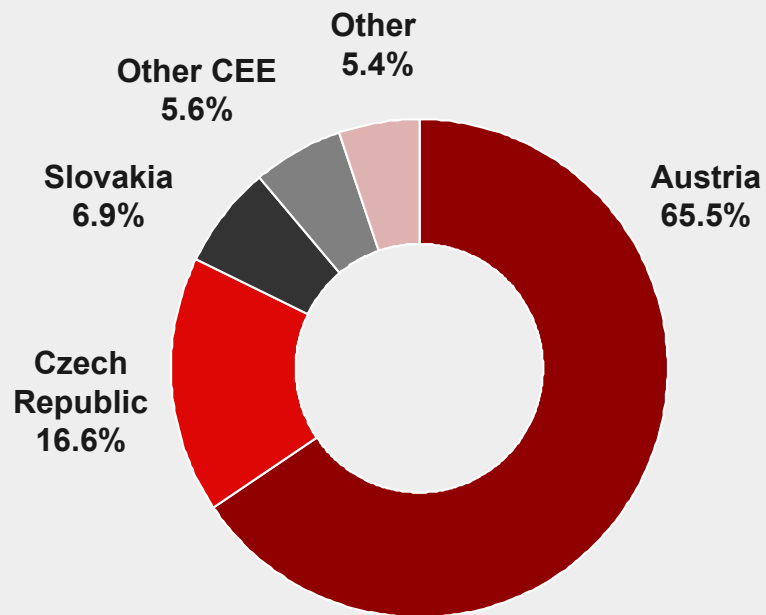


Note: in the 1st HY 05 the following companies were not yet included in the Group figures: **6M 05** CPP (Czech Republic), Omniasig Group (Romania), Royal Polska and Benefia (Poland) and Cosmopolitan (Croatia). Also Cigna (Poland) and TBIH insurance companies have been included as of Q2 06 only. **6M 06**

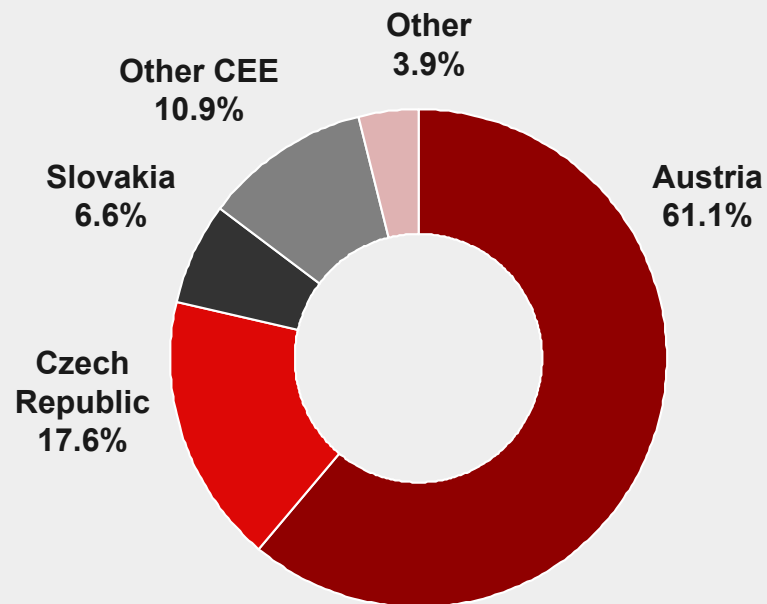
VIG's GWP Split by Region

Shift from Austria to CEE

GWP by Geography



6M 2005 Total: € 2.64bn



6M 2006 Total: € 3.03bn

HY 2006 P&L Major Items – Expenses for Claims Incurred

Loss ratio affected by snow pressure and regional floodings (€m)

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- Overall loss ratio in P&C increased by 2.5% as a result of seasonal effects. Group Combined Ratio (97.9%) still well below 100% in line with Group targets
- Austria saw extraordinary damage from snow pressure in Q1 vs. marked improvement of loss experience in Q2 (Combined Ratio of 95.8% in 1st HY 06)
- In the Czech Republic claims incurred were driven by snow pressure and floodings (in both quarters) with a very large number of small damage
- Slovakia recorded snow pressure damage in Q1 06 with improved development in Q2
- Other CEE recorded improved loss ratios based on improving claims management
- Life segment in line with premium development; Health influenced by cautious reserving for longevity trends

	P&C		Life		Health	
	6M 06	6M 05	6M 06	6M 05	6M 06	6M 05
Net Earned Premiums:	1,118.3	883.1	1,144.6	1,053.0	148.4	143.8
Expenses for Claims Incurred:	755.4	575.2	1,158.4	1,056.0	131.6	124.8
Ratio	67.6	65.1	101.2	100.3	88.6	86.7

HY 2006 P&L Major Items – Operating Expenses

Costs impacted by new acquisitions (€m)

13

- Austria stable despite Group holding function of parent and hiring of additional field staff for sales expansion
- Benign development in the Czech Republic following cost cutting measures
- Slovakia with temporarily higher cost ratio owing to marketing and build-up of field staff
- In Other CEE sharp decrease of the expense ratio despite inclusion of numerous acquisitions on account of economies of scale and restructuring measures

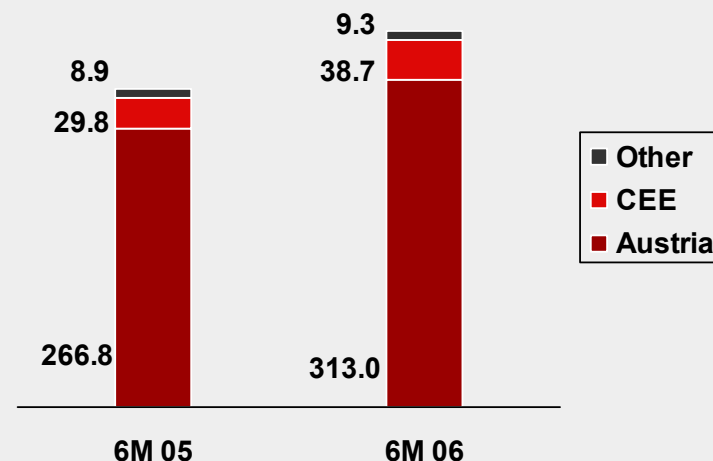
	P&C		Life		Health	
	6M 06	6M 05	6M 06	6M 05	6M 06	6M 05
Net Earned Premiums:	1,118.3	883.1	1,144.6	1,053.0	148.4	143.8
Operating Expenses:	294.5	228.8	212.3	187.7	19.6	18.7
Ratio	26.3	25.9	18.5	17.8	13.2	13.0

HY 2006 P&L Major Items – Net Investment Income

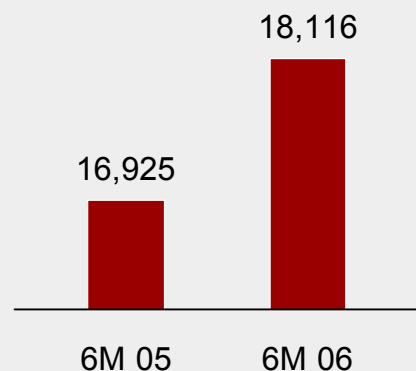
Continued trading gains (€m)

14

- Increase in Net Investment Income by 18.2% to €361.1mn as a result of trading gains in Austria which also includes EUR 9.8mn from first time inclusion of Housing Societies. HY 05 included €41mn one-off gain from sale of stake in Investkredit bank
- In the Czech Republic increase by 16.6% as a result of consolidation of CPP
- Slovakia with decrease due to higher investments in funds with payout rather in 2nd HY
- Increase in Other CEE due to consolidation of new acquisitions



Total Investments



Financial Targets for WSV Group

Targets for 2006 and 2007 confirmed

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	2006T	2007T
Profit before tax	~ €290million	~ €350 million
Net combined ratio	<100%	<100%
RoE before tax¹	~16%	17%-18%
Payout ratio (as % of net income)	>30%	>30%

¹ incl. Dec. 2005 capital increase

Vienna Insurance Group – HY 2006 results

Appendix

6M 2006 P&L – Business Segments

Property & Casualty, IFRS (€m)

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	6M 2006	6M 2005	+/- %
1. Gross written premiums	1,721.5	1,419.1	21.3
2. Net earned premiums	1,118.3	883.1	26.6
3. Net investment income	56.8	68.5	-17.0
4. Other income	14.4	6.2	>100.0
Total income	1,189.5	957.7	24.2
6. Expenses for claims incurred	-755.4	-575.2	31.3
7. Operating expenses	-294.5	-228.8	28.7
8. Other expenses	-60.6	-60.4	-0.0
Total expenses	-1,110.5	-864.4	28.5
Profit before tax	79.0	93.3	-15.3

6M 2006 P&L – Business Segments

Life, IFRS (€m)

18

	6M 2006	6M 2005	+/- %
1. Gross written premiums	1,157.1	1,069.9	8.2
2. Net earned premiums	1,144.6	1,053.0	8.7
3. Net investment income	292.2	227.9	28.2
4. Other income	14.6	2.2	>100.0
Total income	1,451.4	1,283.2	13.1
6. Expenses for claims incurred	-1,158.4	-1,056.0	9.7
7. Operating expenses	-212.3	-187.7	13.1
8. Other expenses	-25.2	-16.2	55.4
Total expenses	-1,395.9	-1,259.8	11.1
Profit before tax	55.5	23.3	>100.0

6M 2006 P&L – Business Segments

Health, IFRS (€m)

19

	6M 2006	6M 2005	+/- %
1. Gross written premiums	150.8	146.5	2.9
2. Net earned premiums	148.4	143.8	3.2
3. Net investment income	12.1	9.1	33.1
4. Other income	0.0	0.0	0.0
Total income	160.5	152.9	5.0
6. Expenses for claims incurred	-131.6	-124.8	5.4
7. Operating expenses	-19.6	-18.7	4.8
8. Other expenses	-0.5	-0.8	-34.5
Total expenses	-151.7	-144.2	5.2
Profit before tax	8.8	8.6	2.4

HY 2006 P&L - Split by Regions (I)

Regional segments, IFRS (€m)

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	Austria		Czech Republic		Slovakia	
	6M 2006	6M 2005	6M 2006	6M 2005	6M 2006	6M 2005
1. Gross written premiums	1,850.4	1,726.9	532.7	436.5	199.6	183.1
2. Net earned premiums	1,524.1	1,417.2	392.4	304.0	139.6	134.9
3. Net investment income	313.0	266.8	17.5	15.0	7.9	8.6
4. Other income	11.9	2.1	4.1	1.6	3.6	0.6
Total income	1,849.0	1,686.1	413.9	320.5	151.1	144.1
6. Expenses for claims incurred	-1,431.6	-1,304.6	-285.9	-193.7	-87.6	-81.4
7. Operating expenses	-294.1	-275.7	-84.2	-73.3	-31.2	-26.7
8. Other expenses	-21.4	-9,5	-25.6	-32.6	-20.4	-25.9
Total expenses	-1,747.1	-1,589.7	-395.6	-299,7	-139.2	-134.0
Profit before tax	101.9	96.4	18.3	20.8	11.9	10.0
Combined Ratio	95.8%	96.6%	104.4%	94.3%	88.5%	92.4%

HY 2006 P&L - Split by Regions (II)

Regional segments, IFRS (€m)

21

	Other CEE		Other		TOTAL	
	6M 2006	6M 2005	6M 2006	6M 2005	6M 2006	6M 2005
1. Gross written premiums	328.7	146.9	118.0	142.2	3,029.3	2,635.5
2. Net earned premiums	251.3	93.9	103.9	130.0	2,411.3	2,079.9
3. Net investment income	13.4	6.2	9.3	8.9	361.0	305.5
4. Other income	6.9	3.4	2.6	0.8	29.0	8.4
Total income	271.6	103.5	115.8	139.6	2,801.4	2,393.8
6. Expenses for claims incurred	-152.9	-64.6	-87.4	-111.6	-2,045.4	-1,756.0
7. Operating expenses	-103.0	-44.5	-13.9	-15.0	-526.3	-435.2
8. Other expenses	-10.8	-2.0	-8.2	-7.4	-86.4	-77.4
Total expenses	-266.7	-111.1	-109.6	-134.0	-2,658.1	-2,268.6
Profit before tax	4.9	-7.6	6.2	5.5	143.3	125.3
Combined Ratio	100.2%	120.0%	85.5%	84.4%	97.9%	97.0%

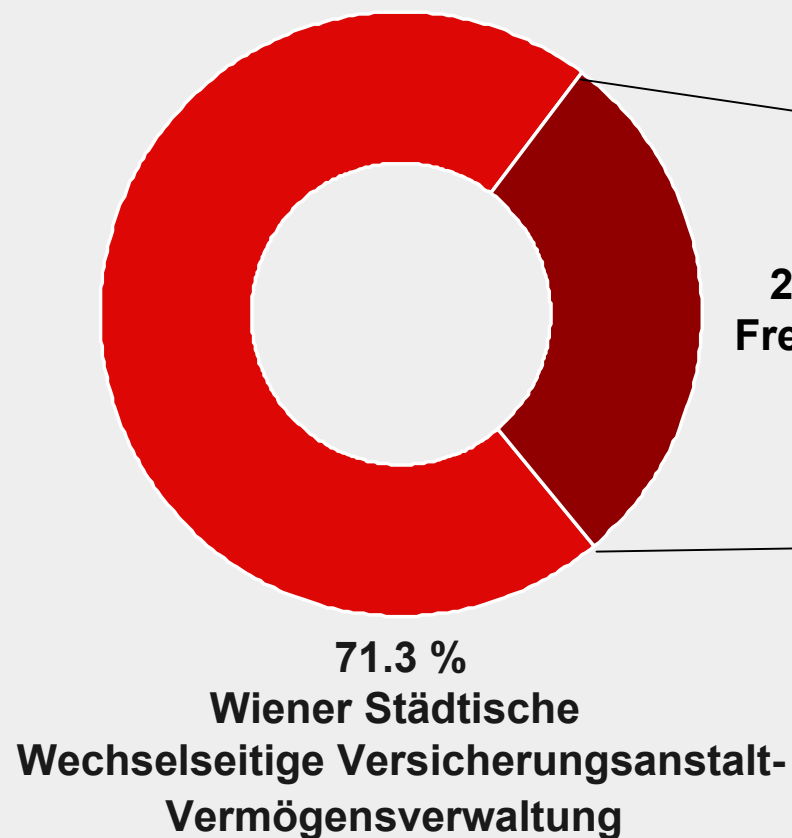
6M 2006 Exchange Rates

Country	Curr.	HY 2006		HY 2005	
		Balance Sheet EUR	P & L EUR	Balance Sheet EUR	P & L EUR
Bulgaria	BGN	0,511300	0,511300	0,511247	0,511247
Croatia	HRK	0,138036	0,136773	0,136986	0,136986
Liechtenstein	CHF	0,638081	0,640615	0,639591	0,639591
Poland	PLN	0,246633	0,257064	0,243043	0,243043
Romania	RON	0,280089	0,282405	0,281571	0,281571
Serbia	CSD	0,011765	0,011533	0,012183	0,012183
Slovakia	SKK	0,026076	0,026617	0,026032	0,026032
Czech Republic	CZK	0,035096	0,035098	0,033300	0,033300
Hungary	HUF	0,003529	0,003838	0,004070	0,004070

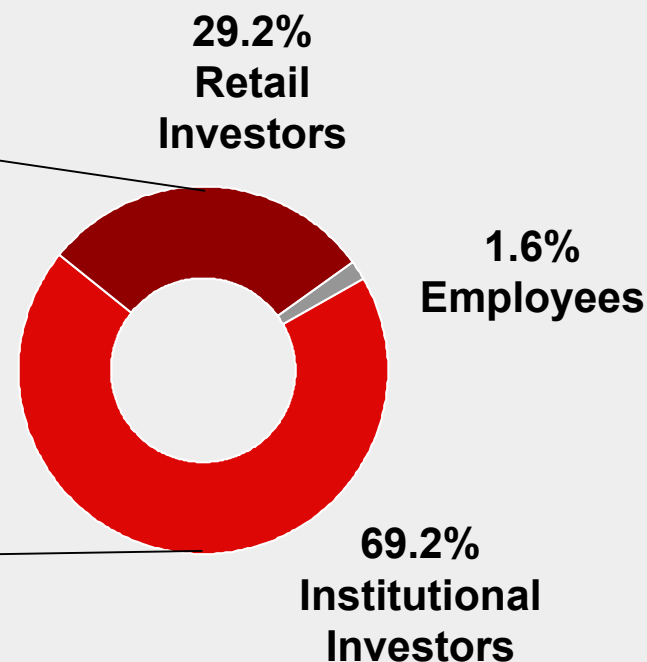
Shareholder Structure (I)

Total number of shares 105,000,000

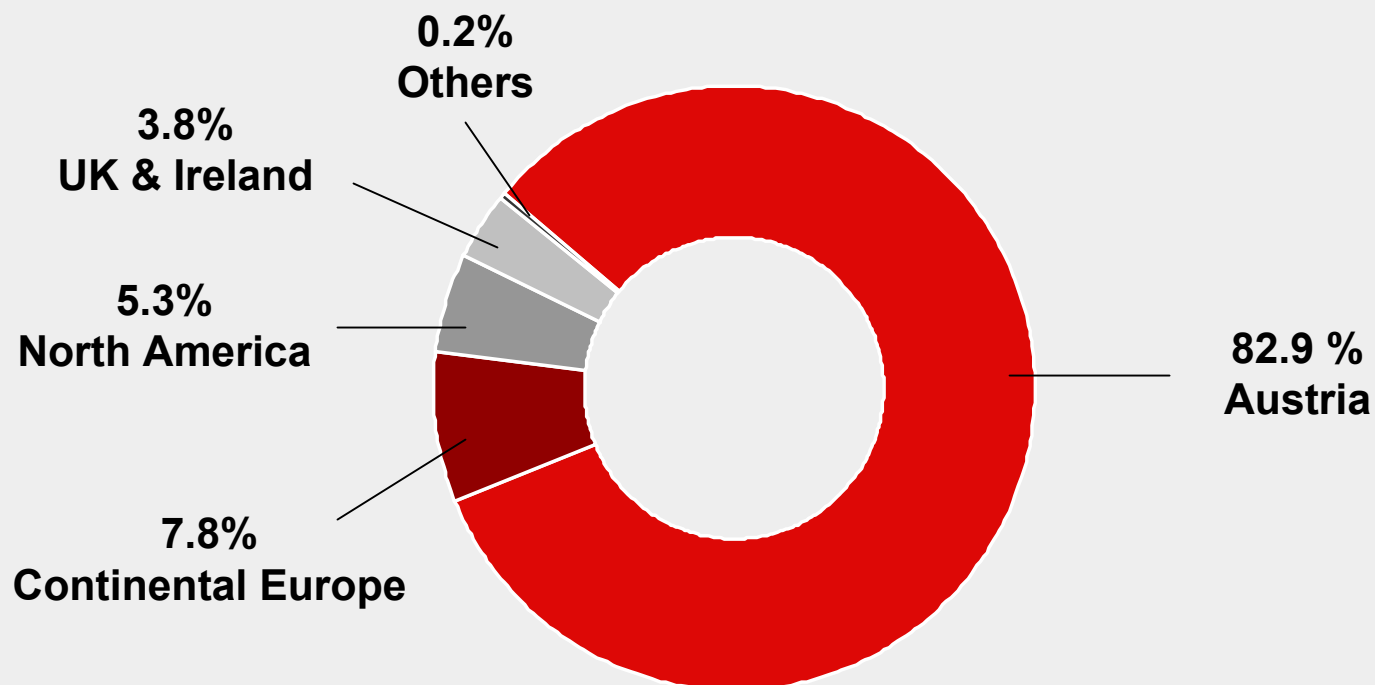
Shareholder Structure



Split Free Float



Geographical Split



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