

Set on success.



Dear Shareholders, dear Madam/Sir,



following the extraordinarily successful financial year 2005, we remain on course for continued success in the first half of 2006. The first half of 2006 clearly shows that the Vienna Insurance Group continues to show signs of healthy growth in the wake of its consolidation and strategic expansion of the Group member companies, as well as its focus on core business sectors. During the first six months of the current year we have increased our consolidated profit before taxes year-on-year by 14.4% to about EUR 143 million – and this in spite of a high claims burden of approximately EUR 96 million due to the occurrence of flooding and snow loading claims. It is also gratifying to note the constantly rising share of the relatively new life insurance business in the CEE countries. The gratifying business performance in the first half year business supports the projection of a total consolidated profit before taxes of close to EUR 290 million for the full year.

Yours

Günter Geyer, Vienna, 18 August 2006

CONSOLIDATED FINANCIAL STATEMENTS OF THE VIENNA INSURANCE GROUP FOR THE FIRST HALF OF THE YEAR 2006

The Consolidated Financial Statements for the first half of 2006 were prepared in accordance with the "International Financial Reporting Standards (IFRS)". The present interim report is in compliance with IAS 34 ("Interim Reporting"). It covers the first half of 2006 (1 January 2006 through 30 June 2006) and compares it with the corresponding prior-year period.

Since 1 July 2005 the following insurance companies were added to the scope of consolidation of the Vienna Insurance Group:

- **Česká podnikatelská pojišťovna a.s.**, Prague (1 July 2005)
- **Omniasig** (sub-group), Bucharest (1 August 2005)
- **Benefia Towarzystwo Ubezpieczeń Majatkowych S.A.**, Warsaw (1 October 2005)
- **Benefia Towarzystwo Ubezpieczeń na Życie S.A.**, Warsaw (1 October 2005)
- **Royal Polska Towarzystwo Ubezpieczeń na Życie S.A.**, Warsaw (31 December 2005)
- **Cosmopolitan Life d.d. osiguranje**, Zagreb (31 December 2005)
- **Towarzystwo Ubezpieczeń Compensa S.A.**, Warsaw¹
- **Towarzystwo Ubezpieczeń i Reasekuracji Cigna STU S.A.**, Warsaw (1 April 2006)
- **Osiguranje Helios d.d.**, Zagreb (1 April 2006)²
- **Bulstrad Life Insurance a.d.**, Sofia (1 April 2006)²
- **Bulstrad Insurance & Reinsurance a.d.**, Sofia (1 April 2006)²

¹) The company was proportionally consolidated in the financial year 2004. During the 4th quarter of 2005 an additional 49.86% of the shares were acquired. Accordingly, "Compensa" was fully consolidated as of the 4th quarter.

²) The company was proportionally consolidated in the 1st half of 2006.

In addition, three non-profit housing development companies were added to the scope of consolidation of the Vienna Insurance Group during the 1st half of 2006:

- **Alpenländische Heimstätte, gemeinnützige Wohnungsbau-Siedlungsgesellschaft**, Innsbruck (1 January 2006)
- **Erste gemeinnützige Wohnungsgesellschaft-"Heimstätte GmbH"**, Vienna (1 January 2006)
- **"Neue Heimat" Gemeinnützige Wohnungs- und SiedlungsgmbH**, Linz (1 January 2006)

In the first half of 2006 these companies generated a profit before taxes amounting to EUR 8.7 million. The annual profits from non-profit housing development companies are subject to legally set limitations of profit distributions in Austria and there is only limited access to the assets of such companies.

Highlights in First Half 2006

During the first half of 2006 the Vienna Insurance Group was able to achieve consolidated premiums written of EUR 3.03 billion and has thereby exceeded the three-billion Euro threshold for the first time in its half-year results. Compared with the prior-year period, the premium revenues increased by a total of 14.9%, including other insurance affiliates and on a non-conso-

The Group's half-yearly premiums exceeded the 3-billion Euro threshold for the first time

The share of CEE companies in Group premiums already totals 35 percent, and almost 50 percent in the property and casualty segment.

Consolidated profit before taxes rose by 14.4 percent to 143.35 million Euro.

Consolidated basis premiums written came to EUR 3.17 billion, thus increasing by 13.4%.

In **profit before taxes** the Group was also able to show growth. It amounted to EUR 143.35 million in the first half of 2006, thus representing an increase of 14.4% over the same period in the previous year. This result was achieved in spite of increased insurance claims payouts for snow loading and flooding damage during this accounting period. Moreover, the results for the same period in the previous year also included gains of about EUR 45 million realized on the sale of Investkredit and the Porr shares. By comparison, the non-profit housing development companies that were included for the first time contributed earnings of EUR 9.8 million.

At 97.9%, the **combined ratio** after reinsurance (not including investment income) still remain below the 100-percent mark, in spite of a considerable claims burden due to flooding and snow loading, thus meeting the company's target.

The **financial result** came to EUR 361.06 million in the first half of 2006, an increase of 18.2% over the same period in the previous year.

Expenses for insurance claims rose by 16.5% to EUR 2.05 billion. Of this amount, approximately EUR 96 million were attributable solely to flooding and snow loading claims expenses.

The Group's total **capital assets** rose from EUR 16.92 billion as of 31 December 2005 to EUR 18.12 billion as of 30 June 2006 (+7.0%).

With **premiums written** totaling EUR 3.03 billion and with a double-digit increase of 14.9% in premiums, the Vienna Insurance Group was again able to show strong growth in the first half of the current year.

The CEE companies generated premium income of EUR 1.06 billion, up 38.4%. The share of premiums written with group companies in CEE stood at 35% compared to 31% in 2005. The share of CEE companies within group property and casualty premium income accounted already for 47%. The Austrian companies posted premium income of EUR 1.85 billion, up 7.2% over the prior year. In other markets (Germany and Liechtenstein) premium income amounted to EUR 117.95 million.

Business performance by class (business areas)

Property and casualty insurance

In the property and casualty insurance sector, the Vienna Insurance Group was able to achieve a significant increase in premium revenue of 21.3% to a total of EUR 1.72 billion in the first half of 2006. In the CEE markets a premium volume of EUR 807.51 million, and thus a more than dynamic growth of 39.7% was achieved in this class. In Austria the premium increase in this sector came to 8.8% representing premiums written in the amount of EUR 882.18 million. In the other markets (Germany and Liechtenstein) premiums written were recorded in the amount of EUR 31.77 million (+ 5.9%). The profit before taxes in the property and casualty sector came to EUR 79.03 million in the first half of 2006 and thus was 15.3% lower than in the same period of the previous year. The reason for this is the extraordinary gain from the sale of Investkredit and of Porr shares in 2005, which is attributable for the most part to this sector.

Life insurance

The premiums written of the Vienna Insurance Group increased by 8.1% during the first half of 2006, coming to a total of EUR 1.16 billion. The Group companies in CEE already made a considerable contribution here with a 34.4% increase in premium revenues to EUR 253.42 million.

The Austrian Group companies were able to increase premiums written by 6.3% to EUR 817.47 million. Thus the contribution of premiums from the CEE countries even in this, relatively new sector for the countries, exceeds 20%. In the other markets (Germany and Liechtenstein) the premiums written amounted to EUR 86.19 million. The profit before taxes in the life insurance sector for the first half of 2006 rose by 137.9% to EUR 55.47 million.

Health insurance

In health insurance, the Vienna Insurance Group achieved premiums written of EUR 150.77 million, representing an increase of just short of 3%. The health insurance business is still concentrated mainly in the Austrian market. Health insurance continued to deliver a stable contribution to profit of EUR 8.84 million (profit before taxes).

Business performance by regions

Austria

During the first half of 2006 the Vienna Insurance Group was able, with its Austrian companies, to achieve a total of EUR 1.85 billion in premiums written. This represents an increase in premiums of 7.2%. Profit before taxes in Austria amounted to EUR 101.95 million. This represents an increase of 5.8% over the same period in the previous year.

Czech Republic

In the Czech Republic, the Vienna Insurance Group wrote premiums of EUR 532.66 million. This represents an increase of 22% over the first half of the previous year. In spite of the extraordinary burden due to weather-related catastrophes – expenditures for claims incurred due to flooding came to EUR 44.24 million – the Czech Group companies were able to achieve a total profit (before taxes) of EUR 18.35 million.

Slovakia

In Slovakia, too, growth well above market figures was achieved with a premium volume increase of 9.0%. Here the Vienna Insurance Group wrote premiums in the amount of EUR 199.56 million. The profit (before taxes) of all the Slovakian Group companies together amounted to EUR 11.92 million, a significant increase of 18.7%.

Remaining CEE markets

In the remaining CEE countries double-digit growth rates could be shown in nearly all markets. During the first half of 2006, the

Group companies in Poland, Bulgaria and Serbia, were particularly successful, also in terms of organic growth. The total amount recorded for premiums written was EUR 328.71 million. For Vienna Insurance Group this signifies an outstanding increase in premium revenues of 123.8%. For the first time, a positive profit before taxes of EUR 4.91 million was recorded for a half-year. The remaining CEE markets segment of the Vienna Insurance Group includes Bulgaria, Croatia, Poland, Romania, Serbia and Hungary. The Georgian, Ukrainian and Belarus companies are not yet included in the scope of consolidation.

Other markets

In the other markets (Germany, Liechtenstein) the Vienna Insurance Group was able to record EUR 117.95 million in premiums written. The profit before taxes of the Group companies totaled EUR 6.23 million. This represents an increase of 12.3%.

At 97.9% the Combined Ratio of the Vienna Insurance Group is well below the 100% mark.

Financial goals 2006

The results of the first half of 2006 show that the Vienna Insurance Group is successfully continuing on the path of consolidation of the Group companies combined with strategically suitable acquisitions. The Group's target for profit before taxes for the full year of 2006 in the amount of approximately EUR 290 million is thus affirmed. This represents an increase of more than 20% over 2005.



Interim Report, 1st Half 2006

CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2006

ASSETS	30.6.2006	31.12.2005
in EUR '000		
A. Intangible assets		
I. Goodwill	314,021	200,259
II. Present value of business in force	57,330	44,625
III. Other intangible assets	72,335	72,018
Total intangible assets	443,686	316,902
B. Capital assets		
I. Land and buildings	2,157,451	1,085,882
II. Shares in affiliated and associated companies	524,850	636,048
III. Financial instruments	13,497,957	13,440,739
a) Loans and other capital assets	1,611,820	2,322,678
b) Other securities	11,886,137	11,118,061
Total capital assets	16,180,258	15,162,669
C. Capital assets of unit- and index-linked life insurance	1,936,157	1,762,071
D. Reinsurers' share of underwriting provisions	986,542	840,060
E. Receivables	1,008,334	856,853
F. Deferred tax assets	19,277	11,838
G. Other assets	197,447	200,706
H. Cash and cash equivalents	170,711	290,347
Total ASSETS	20,942,412	19,441,446

LIABILITIES AND SHAREHOLDERS' EQUITY	30.6.2006	31.12.2005
in EUR '000		
A. Shareholders' equity		
I. Share capital	109,009	109,009
II. Capital reserves	1,035,029	1,035,029
III. Retained earnings	639,363	446,790
IV. Other reserves	202,395	410,664
V. Minority interests	69,502	57,840
Total shareholders' equity	2,055,298	2,059,332
B. Subordinated liabilities	413,200	413,200
C. Underwriting provisions		
I. Unearned premiums	889,240	627,653
II. Actuarial reserve	9,844,279	9,391,517
III. Reserve for outstanding claims	2,540,276	2,307,272
IV. Reserve for profit-independent premium refunds	25,809	30,950
V. Reserve for profit-dependent premium refunds	490,180	713,661
VI. Other underwriting provisions	17,097	15,239
Total underwriting provisions	13,806,881	13,086,292
D. Underwriting provisions of unit- and index-linked life insurance	1,875,505	1,729,868
E. Non-underwriting provisions	824,771	871,386
F. Liabilities	1,800,373	1,074,731
G. Deferred tax liabilities	88,940	123,944
H. Other liabilities	77,444	82,693
Total LIABILITIES AND SHAREHOLDERS' EQUITY	20,942,412	19,441,446

Interim Report, 1st Half 2006

FROM 1 JANUARY TO 30 JUNE 2006

CONSOLIDATED INCOME STATEMENT

	1.1.–30.6.2006	1.1.–30.6.2005
in EUR '000		
Premiums written – Total	3,029,303	2,635,514
Earned premiums	2,411,349	2,079,918
Financial result, not incl. interests in associated and affiliated companies	356,967	302,077
Other income	29,034	8,426
Expenses for insurance claims	-2,045,406	-1,755,973
Operating expenses	-526,331	-435,177
Other expenses	-86,361	-77,422
Income from interests in associated and affiliated companies	4,094	3,413
Profit before taxes	143,346	125,262
Tax expense	-24,518	-30,063
Net income for the period	118,828	95,199
Portion attributable to WIENER STÄDTISCHE shareholders	114,085	89,546
Minority interests in net income for the period	4,743	5,653
Profit per share (basic = diluted profit per share in EUR)	2.17	2.07

INCOME STATEMENT BY BUSINESS AREA

	Property/ Casualty		Life		Health		Total	
	1.1.–30.6.06	1.1.–30.6.05	1.1.–30.6.06	1.1.–30.6.05	1.1.–30.6.06	1.1.–30.6.05	1.1.–30.6.06	1.1.–30.6.05
in EUR '000								
Premiums written – Total	1,721,457	1,419,090	1,157,077	1,069,894	150,769	146,530	3,029,303	2,635,514
Earned premiums	1,118,323	883,072	1,144,583	1,053,026	148,443	143,820	2,411,349	2,079,918
Financial result, incl. associated and affiliated companies	56,819	68,481	292,171	227,940	12,071	9,069	361,061	305,490
Other income	14,427	6,192	14,605	2,234	2	0	29,034	8,426
Expenses for insurance claims	-755,447	-575,222	-1,158,404	-1,055,992	-131,555	-124,759	-2,045,406	-1,755,973
Operating expenses	-294,456	-228,802	-212,266	-187,663	-19,609	-18,712	-526,331	-435,177
Other expenses	-60,635	-60,415	-25,215	-16,227	-511	-780	-86,361	-77,422
Profit before taxes	79,031	93,306	55,474	23,318	8,841	8,638	143,346	125,262

SEGMENT REPORTING BY REGION

	Premiums written		Profit before taxes	
	1.1.–30.6.06	1.1.–30.6.05	1.1.–30.6.06	1.1.–30.6.05
in EUR '000				
Austria	1,850,421	1,726,856	101,945	96,382
Czech Republic	532,656	436,508	18,345	20,847
Slovakia	199,564	183,069	11,916	10,041
Remaining CEE markets	328,709	146,896	4,912	-7,552
Other markets	117,953	142,185	6,228	5,544
Total	3,029,303	2,635,514	143,346	125,262

Interim Report, 1st Half 2006

CONSOLIDATED CASH FLOW STATEMENT

	1.1.–30.6.2006	1.1.–30.6.2005
<i>in EUR '000</i>		
Cash and cash equivalents as of 1 January	290,347	193,421
Cash flow from operating activities	655,005	631,160
Cash flow from investing activities	-644,588	-856,750
Cash flow from financing activities	-143,775	260,086
Cash and cash equivalents before change in consolidation scope and foreign exchange differences	156,989	227,917
Change in consolidation scope and foreign exchange differences	13,722	430
Cash and cash equivalents as of 30 June	170,711	228,347

CHANGE IN GROUP SHAREHOLDERS' EQUITY

	1.1.–30.6.2006	1.1.–30.6.2005
<i>in EUR '000</i>		
Equity as of 1 January	2,059,332	913,778
Currency changes	-2,999	3,085
Changes to shares	15,995	0
Unrealised gains and losses on financial instruments available for sale	-61,274	64,007
Profit for the quarter	118,828	95,199
Dividend payment	-74,584	-42,364
Equity as of 30 June	2,055,298	1,033,705



REPORT FROM THE ANNUAL GENERAL MEETING:

The 15th Annual General Meeting of WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP was held in Vienna on 30 May 2006. Numerous shareholders came to learn about the extraordinarily successful business performance in the year 2005 and during the first quarter of 2006. For the first time, the speech by the Chairman of the Managing Board was also broadcasted live over the Internet, and a recording of the live transmission can be found at www.wienerstaedtsche.at > Investor Relations > Annual General Meeting 2006. The agenda as well as the proposals and voting results can also be read there.

Dividend increased by 46.7%

The Annual General Meeting resolved to increase the dividend for the financial year 2005 to 66 cent per common share. This represents an increase

of 21 cent or 46.7% over the dividend of 45 cents paid for the financial year 2004. Dividends were paid on 12 June 2006.

A new Company Name

The Annual General Meeting further adopted a change of the company name. The new name "WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP" is intended as a strong signal of the growing international prominence of the Group to the outside. As early as at the beginning of 2006 an essential step in that direction had been taken with the introduction of the Group's consolidated trademark "Vienna Insurance Group." In order to demonstrate the cohesion of the Group's member insurance companies to the outside world, the words Vienna Insurance Group were added to the logos of all Group companies.

CURRENT THEMES

The Vienna Insurance Group increases its stake in TBIH by restructuring to 60%

The Vienna Insurance Group converts its previous 40% stake in Kardan Financial Services B.V. (KFS) into a direct investment in TBIH Financial Services Group N.V. (TBIH) and now owns a 60% share in that company. The value of TBIH at the time of the transaction was an approximately EUR 270 million. The remaining shares in TBIH are held by the former majority owner KFS.

As part of this transaction it was agreed that TBIH would concentrate in the future exclusively on the insurance and the pension funds business in the Central and Eastern European markets. Conversely, the company's investments in the areas of leasing, asset management and banking services will be spun off from TBIH and assigned to KFS. This restructuring enables the Vienna Insurance Group to focus exclusively on its core business sector.

Through TBIH the Vienna Insurance Group primarily holds investments in the following insurance companies: The Bulstrad Group in Bulgaria, Helios in Croatia, GPIH in Georgia and the Omnisig Life in Romania. The latter is part of the Omnisig Group in which the Vienna Insurance Group also holds a direct stake. Through its investment in TBIH, the Vienna Insurance Group is also opening up new markets in the area of pension funds in Bulgaria, Croatia, the Ukraine and Georgia.

The transaction was completed subject to approval by the governmental authorities. The net investment by Vienna Insurance Group for the restructuring measures to create the new investment relationship is approximately EUR 34 million.

WIENER STÄDTISCHE is "Growth Leader" in the Prime Market of the Vienna Stock Exchange

In a ranking established by the *Wirtschaftsblatt*, one of the foremost Austrian business dailies, the WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP was pronounced "Growth Leader" among all the companies listed on the ATX Prime Market of the Vienna Stock Exchange as well as among Austrian companies listed on foreign stock exchanges. To arrive at this result, the average yearly growth rates for the last five years (2000–2005) were calculated and compared. The WIENER STÄDTISCHE came in at first place with an average growth of 12.6% in premium revenues, of 48.7% in profit before taxes and of 33.0% in employee headcount. This demonstrates the success of the growth strategy that the Company has pursued to date.

Russia: MSK-Life doing business from Moscow to Vladivostok

At the beginning of August 2006 a license for insurance activities in the sector life and health insurance within the Russian Federation was granted to MSK-Life, the Joint Venture of the MSK/Moscow Insurance and the Vienna Insurance Group. MSK-Life can now start its business operations in Russia. MSK-Life

plans to offer a wide range of life insurance products such as insurance pay-able at death, including insurance of outstanding debt, pension insurances, savings insurance for the benefit of children and also accident and sickness coverage. The sale of life insurance products will be conducted through the sales networks of MSK as well as of the Bank of Moscow, so that over 120 locations in the Russian Federation will be available, reaching from Moscow to Vladivostok.

Changes on the Managing Board of the WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP

The Director on the Managing Board Christian Brandstetter will leave the Managing Board of the WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP at his own request as of 31 December 2006 to be an independent entrepreneur in the future. Starting in January 2007, Christian Brandstetter will continue to be available to the Vienna Insurance Group for special projects as part of his independent business activities. The distribution of the tasks handled by Mr. Brandstetter until the end of 2006 among the remaining members of the Managing Board will be determined by the Supervisory Board at one of its forthcoming meetings.

Capital Contribution to the BAWAG P.S.K. Group

On 14 June 2006 the WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP formed a company jointly with three other Austrian insurance companies and BAWAG P.S.K., in order

to ensure normal business operations of BAWAG P.S.K. until the planned sale. The Contribution of the WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP to this company is EUR 25 million. A second company for the support of BAWAG P.S.K. was created by Austrian banks. The provisions of the company's articles of association ensure that making funds available shall be risk free to the greatest extent possible and that the contributed funds may be invested exclusively in EURO-denominated Government Bonds with excellent ratings. The Vienna Insurance Group has thus made a significant contribution to ensuring the stability of the financial market in Austria.

Austria: "Architecture in the Ringturm"

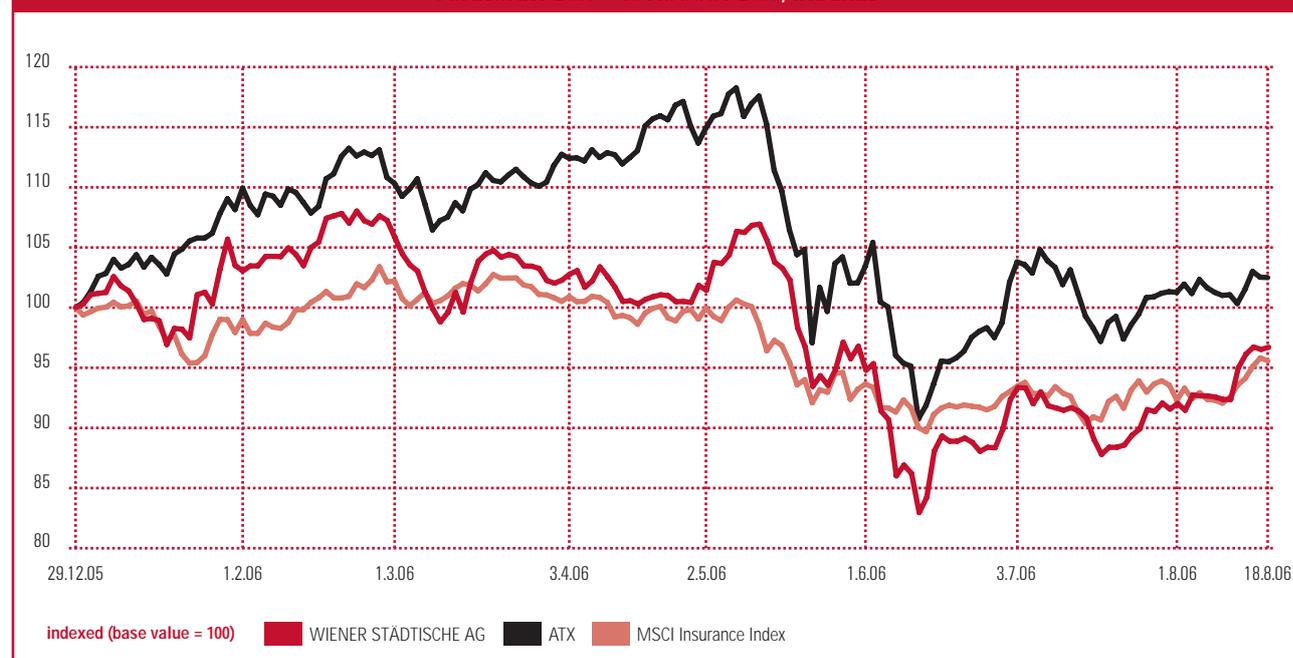
From 27 April to 9 June, 2006 the exhibition "Europe's Best Structures; 2005 Mies van der Rohe Price of the European Union for Contemporary Architecture" was held in the Ringturm. From 28 June to 15 September 2006, the exhibit "Josef Plecnik, Architect in Ljubljana, Vienna and Prague (1872-1957)" displays many photographs, extraordinary furniture and original sketches by the well-known architect.

CAPITAL MARKET

Capital market trend

During the second quarter of 2006, the world of finance was mainly characterized by one phenomenon: volatility. The announcement of positive economic and company data at the beginning

WIENER STÄDTISCHE AG COMPARED TO THE ATX AND MSCI INSURANCE INDICES (IN EUR)
1 JANUARY 2006 – 18 AUGUST 2006, INDEXED



of the quarter resulted in new long-term highs in the stock markets. However, the international stock markets were only able to sustain this trend for a brief period into the 2nd quarter. By 11 May 2006 the picture had changed.

After the first week in May, a number of factors resulted in a clear increase of risk aversion – recognizable by the increase in volatility indicators – and thereby in a massive correction, not only of international equities but also in the commodity markets. New highs in oil prices and other raw materials have heightened inflation fears. Driven by the statements by various central banks on this and the other side of the Atlantic regarding higher prime interest rates and a stable Euro, the first massive sales of shares took place in Europe and, on the same day, to an even greater extent in the USA and Asia. This was the beginning of a clear downward trend for stock prices, with equities from Eastern Europe and the Emerging Markets coming especially under pressure. The effects of this trend were also felt on the Vienna Stock Exchange.

Towards the end of the 2nd quarter, the expectation of stable interest rates increased the investors' willingness to assume risks, and with the support of positive economic news the stock markets perked up once more. In this environment, and mainly thanks to their role as "safe investments", bonds were able to regain some ground during the 2nd quarter and recover once more from their low of the 1st quarter.

With the background of the continued favorable global economic climate, European companies remain optimistic. However, the situation on the stock markets is likely to remain volatile over the next few months. Following the first clear price correction in quite some time, the uncertainty of the stock exchange traders is becoming noticeable. For the time being, their reactions will be very sensitive to the continuous occurrence of disrupting factors and, in case of doubt, they will quickly unwind newly established positions. The expectation for a rapid return of the year's highs reached in May is therefore unrealistic, especially since August and September are difficult months also from the seasonal point of view.

Interest rate changes

On 3 August 2006 the European Central Bank again raised its lead interest rate by 25 basis points to 3.0% because of the heightened inflation risk. Since the beginning of December 2005, the lead interest rate was thus increased in four stages (1 December 2005, 2 March 2006, 8 June 2006, 3 August 2006) by one full percentage point. Slovakia has increased its lead interest

rate in two stages over the last few months (30 May 2006, 25 July 2006) to 4.50%. In Romania and Hungary, the lead interest rate also rose, in either country by 25 basis points. At the last rate-setting session of the US Central Bank on 8 August 2006 no changes were made in the lead interest rate. The lead interest rate still remains at 5.25%. Earlier, the US Central Bank had raised its lead interest rate by 25 basis points 17 times in a row.

Vienna Stock Exchange

By 13 June 2006, the Vienna Stock Exchange had given back its entire gains for the earlier part of the year. After reaching an all-time high for the ATX of 4,344.35 points on 8 May 2006, the leading index for the Vienna Stock Exchange dropped to its low for the year of 3,324.05 points by 13 June 2006, thus equaling the level of early November 2005. Since mid-June, however, the ATX has been rising again, reaching a level of 3,759.73 points by 18 August 2006 (closing date of this report).

INVESTOR RELATIONS

In May and June, the Vienna Insurance Group participated in three road shows organized by the Vienna Stock Exchange in collaboration with CA-IB, RCB and Erste Bank in Zurich, Geneva and Stockholm. At the invitation of Goldman Sachs the Management also presented the Vienna Insurance Group as part of the European Financials Conference in Barcelona. In July the UBS conference "Insurance, Pensions and Savings in CEE" took place in Vienna, and a great number of investors gathered information from the Management in individual and group meetings regarding the strategy of the Vienna Insurance Group and current trends in Central and Eastern Europe. The Management is also planning to participate in several international events in the fall.

On 2 August 2006, the respected investment bank JPMorgan published a report on Austrian insurance companies listed on the stock exchange. In this analysis only, the Vienna Insurance Group received a buy recommendation, based on its preeminent position in Central and Eastern Europe and also thanks to its strong performance in Austria. According to JPMorgan, the target price for the stock is EUR 52.00.

The Vienna Insurance Group has been followed since the beginning of 2006 by seven investment banks in all and the latter have regularly published analyses of the company. The price targets range between EUR 50.00 and EUR 61.00. You can find the latest compilations of investment banks that publish analyses on the

Internet at www.wienerstaedtische.at > Investor relations > Share Information > Analyses.

Information on WIENER STÄDTISCHE Shares

Initial quotation	17 October 1994
Share capital	EUR 109,009,251.26
Number of shares	105 million
ISIN	AT0000908504
Ticker symbol	WST
Bloomberg	WST AV
Reuters	WISV.VI
Datastream	O:WNST
Stock exchange listing	Vienna

Performance of the WIENER STÄDTISCHE Shares

Following an extraordinary rise in the years 2004 and 2005 and in the 1st quarter of 2006, the WIENER STÄDTISCHE share price was affected by the general downturn in the 2nd quarter of 2006 and came under pressure in the months of May and June 2006. At the beginning of the 2nd quarter the share price was, indeed, able to continue the trend of the last quarters and reached an all-time high of EUR 53.90 in the first half of May. However, by the end of the 2nd quarter the price of a share of the WIENER STÄDTISCHE, had to suffer a drop to EUR 46.00. By the time closing date for this report, though, the share has been able to show an increase in value and closed at EUR 48.19 on 18 August 2006. This represents a decline of 3.3% from the beginning of the year.

Key figures for the shares in the 1st half of 2006

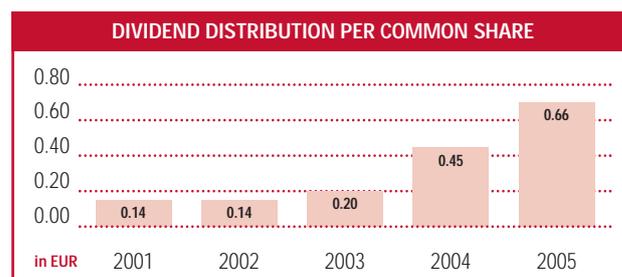
	1.1.–30.6.06	1.1.–30.6.05
Highest price in EUR	53.90	44.60
Lowest price in EUR	41.26	24.65
Price as of 30 June in EUR	46.00	43.10
Earnings per share in EUR	2.17	2.07
Market capitalisation 30 June in billions of EUR	4.83	3.72

Next fixed date in the financial calendar

Result of the 1st to 3rd quarter 2006	21 November 2006
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Performance of the Common Stock Dividend

The dividend of the WIENER STÄDTISCHE AG has risen considerably over the last few years. While the dividend paid per common share in 2001 was still EUR 0.14, it reached EUR 0.66 for the financial year 2005. This represents an increase of more than 45% over 2004, and more than a quadrupling of the 2001 dividend.



INVESTOR RELATIONS

WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP
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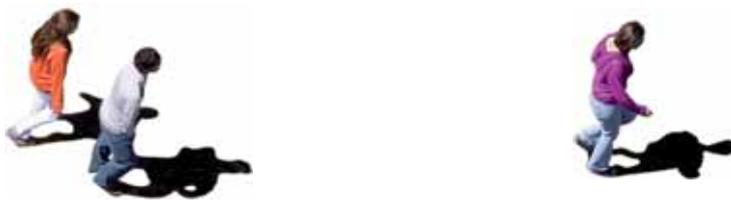
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