

Succeeding together.



**Dear Shareholders!
Ladies and Gentlemen!**

The successful implementation of our strategy has borne the fruits we expected. Not only have we been able to further consolidate our position as number 1 in Austria but, what is more, we have almost doubled our premium income from the CEE markets over the last two years, and our group profit before taxes of EUR 324.21 million already after nine months exceeds our result for the whole of 2006.



Günter Geyer,
General Manager

Our outstanding position in the CEE markets has laid the groundwork for future growth of the Vienna Insurance Group. As a result, management has set the following ambitious profit targets: group profit before taxes of approximately EUR 435 million in 2007, climbing to approximately EUR 530 million in 2008, and to approximately EUR 770 million in 2010. In addition, a target of approximately EUR 10 billion has been set for premium income in 2010.

We plan to increase our dividend for shareholders from EUR 0.82 to EUR 1.10 in 2007, representing an increase of more than a third over the previous year.

We have kept the promise we made two years ago, at the time of our capital increase, to expand the position of the Vienna Insurance Group in the CEE growth markets: Our recent acquisition in Romania and excellent organic growth has made the Vienna Insurance Group number 1 in non-life insurance in the CEE region, leaving well-known international competitors behind.

It is now only a question of time before the Vienna Insurance Group becomes overall number 1 in Central and Eastern Europe. With staff of over 21,000 in 20 countries, the Vienna Insurance Group is making outstanding use of the opportunities and strong growth potential offered by a united Europe.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Geyer'.

Günter Geyer



VIENNA INSURANCE GROUP: RECORD RESULT FOR THE 1ST TO 3RD QUARTERS OF 2007

Profit before taxes of EUR 324 million already above the level achieved in the whole of 2006

Profit growth of more than 52% in the CEE region exceeds growth in Austria

Group premium income of over EUR 5 billion already achieved after 3 quarters

Dividend increase of approximately 34% planned for 2007

MANAGEMENT REPORT

VIENNA INSURANCE GROUP CONSOLIDATED FINANCIAL STATEMENTS FOR THE 1ST TO 3RD QUARTERS OF 2007

The Vienna Insurance Group wrote premiums (without other insurance participations) totalling EUR 5.03 billion in the first three quarters of 2007, representing growth of 16.5% compared to the same period in the previous year. This is the first time that the EUR 5 billion mark has been exceeded in the 3rd quarter.

Group profit before taxes grew an impressive 40.5% in the first three quarters of the current year to EUR 324.21 million. This nine-month figure already exceeds the overall result for 2006.

The Group's combined ratio of 95.9% after reinsurance (not considering investment income) was an improvement over the same period in the previous year (97.0%) despite storm damage.

The financial result of EUR 743.08 million for the first nine months of the current year was up significantly by 38.0% over the same period in the previous year. This positive financial result underscores the soundness of the Vienna Insurance Group's conservative investment policy. The Vienna Insurance Group made no investments in the US "sub-prime" market. Therefore, no future negative impacts are expected in this area in the Group.

Expenses for claims incurred the property and casualty segment amounted to EUR 1.31 billion. Despite storm damage, the increase here of 15.3% was lower than the increase in premiums. Expenses for claims and insurance benefits in the life segment totalled EUR 2.06 billion (+23.1%).

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 represents an increase of 12.7%.

BUSINESS PERFORMANCE OF THE GROUP IN THE 1ST TO 3RD QUARTERS OF 2007

In the first nine months of the current year, the Vienna Insurance Group continued its past series of double-digit growth rates both in the property/casualty segment and life segment.

Total premiums written in the Group were EUR 5.03 billion, representing an increase of 16.5% over the same period in the previous year.

Premiums were EUR 2.12 billion in the CEE countries, which significantly exceeded the previous year's figure by 31.6%.

Group companies in the non-CEE countries (Austria, Germany and Liechtenstein) recorded premium income of EUR 2.91 billion in the first three quarters of 2007, representing growth of 7.5%. Austria generated EUR 2.74 billion in premiums, an increase of 7.3%.

Business performance by class (business segments)

Property/casualty insurance

Group premiums of EUR 2.79 billion were written in the property and casualty segment, representing further impressive growth of 15.7%.

In the CEE region of this segment, after reaching EUR 1 billion in premiums by the end of the first half of the year, Group companies have now passed the EUR 1.5 billion mark in this region, with premiums of EUR 1.53 billion (+28.5%) as at the end of the first nine months. Approximately 55% of the premiums in this segment now come from the CEE region.

EUR 1.26 billion of premiums were written in the non-CEE countries of the property and casualty segment (+3.2% compared to the same period in the previous year). This included EUR 1.21 billion in Austria (+3.1%) and EUR 49.40 million (+5.7%) in other markets (Germany and Liechtenstein).

Life insurance

The growth in premium income was once again the highest in the life insurance segment, reaching the EUR 2 billion mark for the first time in a nine-month period. Total premium volume from Group companies rose 19.4% to EUR 2.01 billion.

The premium income of EUR 589.48 million generated in the CEE markets also represented an outstanding increase of 40.1%.

In the non-CEE countries, premium income was EUR 1.42 billion in the life insurance business, representing a rise of 12.5% over the same period in the previous year. Group companies generated premium income of EUR 1.29 billion in Austria, and EUR 125.86 million in other markets (Germany and Liechtenstein).

Health insurance

Health insurance premium income for the Vienna Insurance Group totalled EUR 231.12 million (+2.7% compared to the first nine months of 2006). Products in this segment are only marketed in a meaningful volume by Wiener Städtische AG, which is one of the leading health insurers in Austria.

Business performance by regions

Austria

In Austria, the Vienna Insurance Group's overall growth of 7.3% and written premium income of EUR 2.74 billion in the first nine months of the current year place it significantly above the level of market growth. Of particular significance is the market share achieved by WIENER STÄDTISCHE Insurance VIENNA INSURANCE GROUP in the area of commercial business, where a market share of around 40% has already been reached.

The profit before taxes in the first nine months of the current year grew by an outstanding 36.3% to EUR 206.80 million.

Czech Republic

Vienna Insurance Group companies in the Czech Republic generated total written premium income of EUR 842.27 million (+8.6%) in the first nine months of the current year. Consequently, the Vienna Insurance Group continues to occupy 2nd place with a total market share of 26.3% and has further reduced the lead held by the former state monopoly insurer.

In the non-life segment, premium income was EUR 637.06 million (+6.5%) in the first three quarters of the current year. In the life segment, premium income was EUR 205.21 million, representing growth of 15.7%.

Profit before taxes was EUR 57.65 million in the first nine months of 2007, representing an increase of 49.6%.

Slovakia

In Slovakia, the Vienna Insurance Group is number 2 in the market with a market share of 28.5%, increasing its share in the non-life segment by 1.6 percentage points and in the life segment by 2.2 percentage points. It is market leader in the fields of motor third party liability and motor own damage insurance, with market shares of 41.4% and 37.1%, respectively.

Group companies generated written premium income of EUR 362.79 million in the first nine months of the current year, representing outstanding growth of 26.4% compared to the same period in the previous year. In the life segment, growth even reached 38.6%, with premium volume of EUR 136.06 million, while the non-life segment showed strong growth of 20.0% with premium income of EUR 226.73 million. Profit before taxes increased by 27.6% to EUR 26.10 million during this period.

Poland

As a result of dynamic growth, the Group companies in Poland for the first time reached a size justifying the creation of a separate segment. In Poland, the Vienna Insurance Group already occupies an outstanding 5th place in the non-life segment.

Group companies generated total written premium income of EUR 390.73 million in the first nine months of the current year, thereby achieving record growth of 68.0%. Growth was particularly satisfying in the life segment, where premium income grew by 91.8% to EUR 150.56 million.

Profit before taxes more than doubled in the 1st to 3rd quarters of 2007, reaching EUR 13.21 million.

Romania

The market leadership and growth of the Group companies in Romania also justified the creation of a separate segment for the first time. In Romania, the Vienna Insurance Group is the uncontested number 1 in the insurance market. Even without the interest in Asirom, the Vienna Insurance Group companies are the market leader with a 17% market share. Including the interest in Asirom results in a market share of approximately 27%.

In the 1st to 3rd quarters of 2007, the Romanian Group companies (not including Asirom) generated premium income totalling EUR 301.73 million (+80.4%). Performance in the property and casualty segment was quite exceptional, with premiums growing 83.2% compared to the same period in the previous year to EUR 291.04 million. The life segment generated EUR 10.68 million in premium income (+27.2%).

In the first nine months of 2007, profit before taxes increased 29.2% compared to the previous year to EUR 4.41 million.

Other CEE markets

(excluding Poland and Romania for the first time)

The Vienna Insurance Group is one of the leaders in the following insurance markets in the other CEE markets segment: Bulgaria (number 1), Georgia (number 2) and Albania (number 3). The Vienna Insurance Group result for the 1st to 3rd quarters of 2007 in the other CEE markets segment includes the following countries:

Bulgaria, Croatia, Serbia and Hungary. Vienna Insurance Group companies in Georgia, the Ukraine, Russia, Belarus and the acquisitions in Turkey and Albania are not included.

Premium income for the Vienna Insurance Group in the other CEE markets segment increased by 49.0% to a total of EUR 222.32 Mio.

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

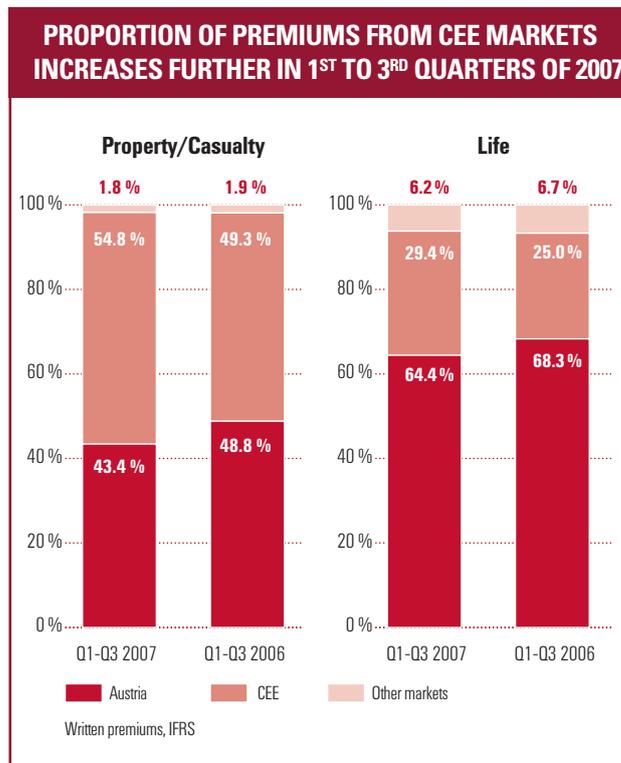
Other markets

Group companies in Germany and Liechtenstein wrote premiums of EUR 175.26 million (+10.2%) in the 1st to 3rd quarters of 2007. Profit before taxes was EUR 11.09 million (+21.4%).

GROUP BUSINESS PERFORMANCE IN THE 3RD QUARTER OF 2007

The Vienna Insurance Group wrote premiums totalling EUR 1.54 billion (without other insurance participations) in the 3rd quarter of 2007, representing an increase of 19.2% compared to the same period in 2006.

Group profit before taxes was EUR 108.81 million in the 3rd quarter of the current year, representing a significant increase of 24.5% compared to the same period in the previous year.



The financial result for the 3rd quarter of the current year was EUR 189.89 million, an increase of 6.9% compared to the same period in the previous year. Expenses for claims incurred were EUR 1,146.84 million in the 3rd quarter of 2007.



CURRENT TOPICS FOR THE VIENNA INSURANCE GROUP

**Vienna Insurance Group –
Future-oriented arrangement for the
Group**

**Czech Republic – Changes in top
management at Kooperativa and CPP**

**Albania – Acquisition of a majority
interest in Sigma completed**

**Romania – Vienna Insurance Group
acquires a majority interest in Asirom**

**Ukraine – Expansion of market position
in the Ukraine through the acquisition
of Ukrainska Strakhova Grupa**

Vienna Insurance Group – Future-oriented arrangement for the Group

As part of the ongoing extraordinary development of the Vienna Insurance Group and in preparation for the upcoming handover to the next generation in many areas of the Group, the following persons were appointed effective 1 October 2007, as Deputy Members of the Managing Board of WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP in the following order of succession: Peter Höfing (Member of the Managing Board of Donau Versicherung AG in Austria), Judit Havasi (Member of the Managing Board of Union Biztosító in Hungary), Martin Diviš, (Deputy General Manager and Member of the Managing Board of Kooperativa pojišť'ovna in the Czech Republic).

The appointment of Deputy Members is made in the context of the following planned changes to the Wiener Städtische Managing Board:

Rudolf Ertl, Member of the Managing Board of WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP, will leave his position on the Wiener Städtische Managing Board effective 31 December 2008. Effective 30 June 2009, Rudolf Ertl will resign from his position as Deputy General Manager of Donau Versicherung AG Vienna Insurance Group and will retire.

On the recommendation of General Manager Günter Geyer, Karl Fink, Deputy General Manager and Member of the Managing Board of WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP, will be granted the title of "General Manager" effective 1 October 2007 as recognition for his successful commitment, in particular for his part in the creation and development of the Vienna Insurance Group. Deputy General Manager Karl Fink will end his active role in the Managing Board effective 30 September 2009.

As recognition for the exceptional success of Wiener Städtische in Austria and the impressive gains in market share in the Austria insurance market in recent years, Director on the Managing Board Robert Lasshofer was granted the title of "Deputy General Manager" on the recommendation of General Manager Günter Geyer effective 1 October 2007.

As of 1 October 2007, the Managing Board of WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP has been comprised of the following members:

Chairman of the Managing Board:
Günter Geyer, General Manager

Other Members of the Managing Board:
Karl Fink, General Manager
Robert Lasshofer, Deputy General Manager
Rudolf Ertl, Director on the Managing Board
Peter Hagen, Director on the Managing Board
Martin Simhandl, Director on the Managing Board

Deputy Members:
Peter Höfing
Judit Havasi
Martin Diviš

Czech Republic – Changes in top management at Kooperativa and ČPP

In its meeting of 11 October 2007, the Supervisory Board of Kooperativa pojišť'ovna, a.s. Vienna Insurance Group (Kooperativa) decided on a number of important changes in the management of the company, which is the second largest insurer in the Czech market. Vladimír Mráz, one of the "co-founders" of company and long-serving Chairman of the Managing Board and Director on the Managing Board, will leave his operational role in the Kooperativa Group in May 2008. Martin Diviš will take over the positions of Chairman of the Managing Board and Director of the Managing Board of Kooperativa effective 6 May 2008.





Peter Hagen, a Member of the Managing Board of WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP with many years of service in Kooperativa, will be appointed to an additional position as Member of the Managing Board of the company bearing the title of Deputy General Manager effective 1 November 2007.

Starting November 2007, Franz Kosyna will be appointed to a position on the Managing Board of the Austrian company Donau Versicherung AG and will take over as head of the company in 2009. Franz Kosyna will therefore leave his position as General Manager of Česká podnikatelská pojišťovna (ČPP) at the end of March 2008. The current Deputy General Manager, Jakub Strnad, will be appointed to succeed him as the head of ČPP. In April 2008, Jaroslav Besperát, Member of the Managing Board of ČPP, will be appointed Deputy General Manager of the company.

Gerhard Lahner, Member of the Managing Board of Kooperativa, will also be appointed to the Managing Board of ČPP effective 1 November 2007, and will hold the position of Chief Financial Officer in both companies.

Albania – Acquisition of a majority interest in Sigma completed

The Vienna Insurance Group successfully completed its entry into the Albanian insurance market in mid-September 2007. The majority interest of 75% plus one share in Sigma was acquired for a purchase price of EUR 16.13 million by TBIH Financial Services

Group N.V. (TBIH), in which WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP holds a majority interest, after all approvals by the authorities had been obtained. In addition, an agreement was reached with the remaining minority shareholders giving them the right to sell to the TBIH 12.5% of the shares in the first half of 2011 and the remaining shares in the first half of 2012.

Sigma was founded in 1998 in Tirana and operates in the non-life segment. The company has a subsidiary in Macedonia and a branch office in Kosovo and employs a total of approximately 160 staff. In financial year 2006, Sigma generated total premiums of approximately EUR 15 million and its market share of 17.2% put it in 3rd place in the Albanian market.

Romania – Vienna Insurance Group acquires a majority interest in Asirom

In early November, WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP acquired a majority interest in SC Asigurarea Romaneasca Asirom S.A. (Asirom), after previously acquiring a 30% interest in July 2007. As a result of the acquisition of approximately 20.2% more of the shares of Asirom, WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP now holds an interest of approximately 50.2% in Asirom and is making a mandatory offer to the remaining shareholders of this stock exchange listed company in accordance with Romanian legal requirements.

Asirom is one of the leading insurance companies in Romania and generated approximately EUR 190 million in premiums in the year 2006. Asirom operates throughout the country with around 2,200 staff and a dense sales network of 49 regional offices and 160 branches. The acquisition of Asirom raised the market share of the Vienna Insurance Group to approximately 27%, greatly consolidated its leadership role in the Romanian market. The following companies are also part of the Vienna Insurance Group family in Romania: Omniasig Life and Non-Life, Unita and the agricultural insurer Agras.

Ukraine –

Expansion of market position in the Ukraine through the acquisition of Ukrainiska Strakhova Grupa

The Vienna Insurance Group has greatly increased its involvement in the Ukrainian market, thereby continuing its expansion programme in Central and Eastern Europe.

TBIH Financial Services Group N.V. (TBIH), in which WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP holds a majority interest, signed an agreement on 14 November 2007 to purchase a 62% interest in the share capital of Ukrainiska Strakhova Grupa (Ukrainian Insurance Group – UIG). The shares will be purchased from affiliates of the Ukrainian UkrGasBank after official approval has been received.

UIG has its registered office in the capital Kiev and has been operating in the Ukrainian insurance market since 2002. UIG generated approximately EUR 23 million in premiums in the first three quarters of the current year. Out of a total staff of around 460, approximately 360 are in sales. UIG is represented throughout the country by 50 branches and another 20 regional points of sale. In addition to motor third party liability insurance, the company also concentrates on sales in the strongly growing motor own damage insurance segment.

CAPITAL MARKET

International overview

The capital market was marked by high volatility in the third quarter. After reaching record highs at the start of the quarter, the market began a strong correction starting in the middle of July. The reason for this was the increasing risk aversion of international investors following the US sub-prime crisis in the US mortgage market. This resulted in some cases to an undifferentiated sell-off of all financial securities, even those that were clearly not affected by the crisis. Only an injection of additional liquidity by central banks and significant interest rate reductions in the US were able to stop the downward trend and cushion the effects on the economy. These measures caused investors to re-think their strategy. Since the middle of September, indices have for the time being started to climb again.

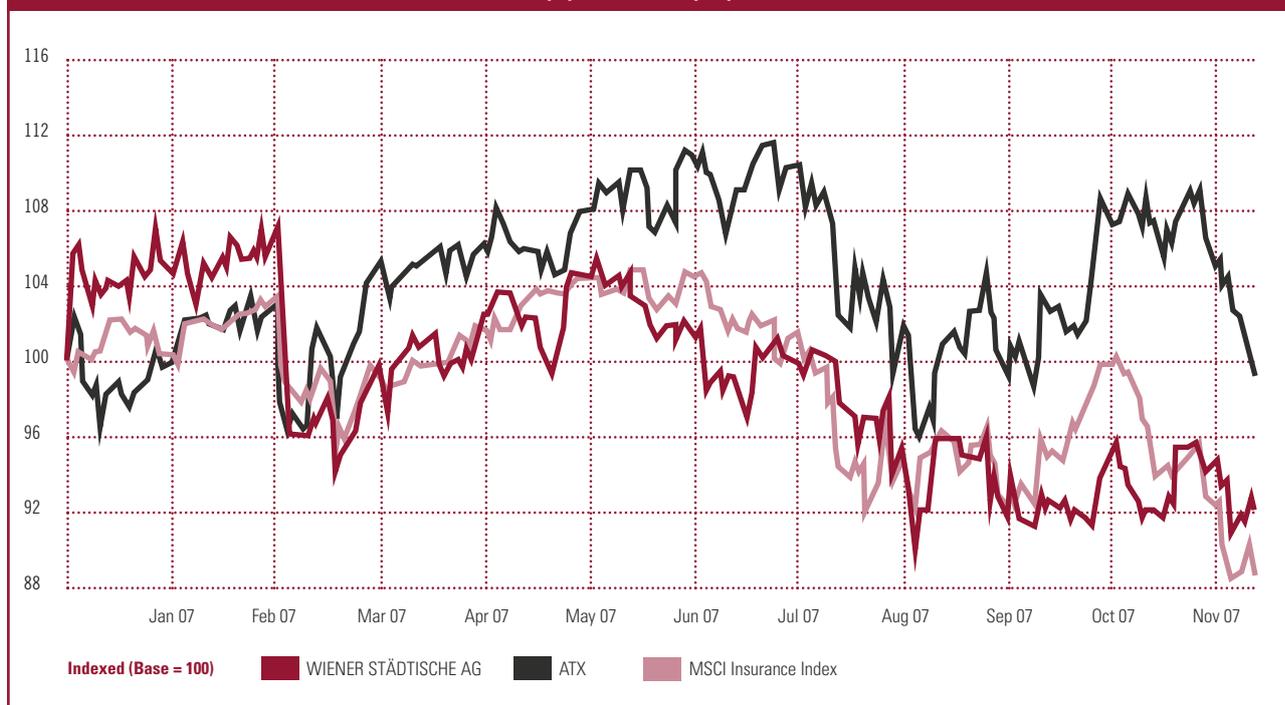
The US Dow Jones Index (DJ), in particular, profited from the interest rate cuts made by the US Federal Reserve (FED), more than making up for its losses to finish the quarter with an increase of 3.6%. The DJ therefore achieved performance of +11.5% for the year as a whole, thereby outperforming the Japanese Nikkei 225 equity index (+2.6%) and the European equity markets (EuroStoxx 50: +6.4%). The euro-denominated Eastern European CECE Index achieved a performance of +10.8% for the first three quarters of 2007.

Interest rate changes

The European Central Bank made no further changes after increasing its prime rate to 4.00% in June 2007. The Czech Republic made two 25 basis point increases in its prime rate in the 3rd quarter of 2007. Poland increased its prime rate by 25 basis points at the end of August, and Romania raised its prime rate by 50 basis points at the end of October. In Hungary, the prime rate was reduced by 25 basis points. The US prime rate was reduced in two stages in September and at the end of October by a total of 75 basis points to 4.50%.



WIENER STÄDTISCHE SHARE PRICE AS COMPARED TO THE ATX AND THE MSCI INSURANCE INDEX (IN EUR) 1/1/2007 TO 15/11/2007



Vienna Stock Exchange

The US sub-prime crisis had negative effects on the Viennese equity market, despite of good corporate business development. Prices fell sharply from an ATX all time high of 4,981 points as of 9 July 2007. Although the ATX recovered by the end of September, as a result of the international situation, the Viennese equity market has not benefited from the monetary policy measures taken by central banks to the same extent as international markets. As a result, the ATX has achieved only minimal performance of +1.4% for the year.

INVESTOR RELATIONS

The previous months have been marked by considerable investor interest in Wiener Städtische shares. Vienna Insurance Group management was represented at conferences organised by well-known investment banks in Istanbul, London and Stegersbach and used the opportunity afforded by presentations and numerous individual meetings to introduce and explain the successful strategy and growth potential of the Group.

The list of banking conferences attended by the Vienna Insurance Group is available on the Internet at www.wienerstaedtische.com/ir > Finanzkalender.

In addition to the two road shows organised by the Vienna Stock Exchange in Edinburgh and London, in which the Vienna Insurance

Group took part, management also put on its own weeklong road show in the US and Canada in response of heavy demand.

In addition, meetings organised in cooperation with a well-known agency took place in October with selected investors in New York, Boston, Toronto, Montreal and Philadelphia.

The publication of the results for the 3rd quarter of 2007, together with new ambitious targets through to 2010, led three analysts to increase their target price for Wiener Städtische shares. At the same time, Citigroup upgraded its recommendation from neutral to buy in an analysis with the title "An operating story at last". In total, therefore, 7 of the 8 investment banks that published reports in 2007 recommended Wiener Städtische shares as a buy.

2008 Financial calendar (preliminary):

2007 Preliminary premiums	22 January
2007 Result for the year	27 March
Embedded Value	16 April
2007 Annual report	30 April
1 st quarter of 2008	8 May
Annual General Meeting	3 June
Ex-dividend date	9 June
Dividend payment date	16 June
1 st half of 2008	21 August
1 st to 3 rd quarter of 2008	11 November

Wiener Städtische share performance

The shares of Wiener Städtische AG also did not completely escape the effects of the negative market situation and continued their sideways motion in 2007. The lowest price this year was EUR 47.90, which was reached at the height of the sub-prime crisis on 16 August 2007. The share price increased by +2.3% with lower volatility since that time to close at EUR 49.00 as of 15 November 2007. Since October 2007, the share has outperformed the market by approximately 2.3 percentage points. This is primarily due to the outstanding development of Wiener Städtische's business in the current year.

Information on Wiener Städtische shares

Initial quotation	17 October 1994
Share capital	EUR 109,009,251.26
Free float	28.7%
Number of shares	105 million
ISIN	AT0000908504
Ticker symbol (Vienna Stock Exchange)	WST
Bloomberg	WST AV
Reuters	WISV.VI
Datastream	O:WNST
Stock exchange listing	Vienna
Wiener Städtische AG rating	Standard & Poor's: A+, stable

Key figures for the share in the first three quarters of 2007

	1/1–30/9/07	1/1–30/9/06
Highest price in EUR	57.00	53.90
Lowest price in EUR	47.90	41.26
Price as of 30 September in EUR	49.00	49.50
Earnings per share in EUR	3.18	2.32
Market capitalisation as of 30 September in EUR billions	5.15	5.20

OUTLOOK

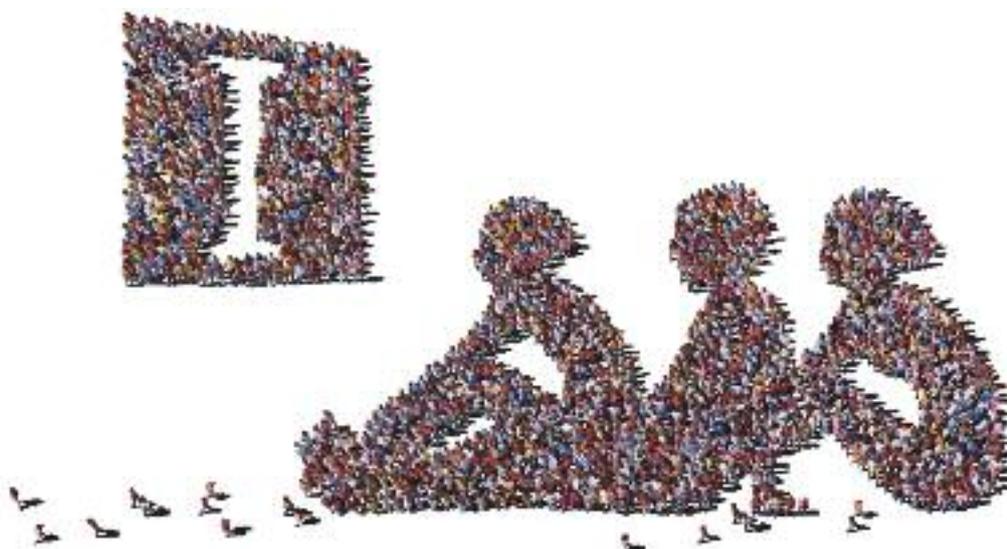
AMBITIOUS MANAGEMENT TARGETS THROUGH TO 2010

2007 Profit before taxes:
approximately EUR 435 million.

2008 Profit before taxes:
approximately EUR 530 million.

2010 Profit before taxes:
approximately EUR 770 million, plus
premium income of approximately
EUR 10 billion.

Systematic implementation of the Group strategy, together with increased income and profit and the consequent strengthening of our position in the major markets in the first nine months of the current year allow us to significantly raise the dividend for 2007 from EUR 0.82 to EUR 1.10 per share, conditional on approval by the executive bodies of the Company.





CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2007

INTERIM REPORT 1ST TO 3RD QUARTER 2007

CONSOLIDATED BALANCE SHEET AS OF 30 SEPTEMBER 2007

ASSETS	30/9/2007	31/12/2006
in EUR '000		
A. Intangible assets		
I. Goodwill	394,791	339,576
II. Purchased insurance portfolios	37,638	49,022
III. Other intangible assets	70,265	72,849
Total intangible assets	502,694	461,447
B. Investments		
I. Land and buildings	2,204,865	2,175,573
II. Shares in affiliated and associated companies	670,490	532,223
III. Financial investments	16,336,917	14,552,572
a) Loans and other investments	1,679,765	1,601,828
b) Other securities	14,657,152	12,950,744
Financial investments held to maturity	329,724	306,234
Financial investments available for sale	13,243,367	11,760,935
Financial investments held for trading*	1,084,061	883,575
Total investments	19,212,272	17,260,368
C. Investments of unit- and index-linked life insurance	2,886,767	2,340,578
D. Reinsurers' share in underwriting provisions	1,149,438	963,314
E. Receivables	1,161,251	983,703
F. Deferred tax assets	31,853	23,543
G. Other assets	252,467	224,058
H. Cash and cash equivalents	224,012	226,443
Total ASSETS	25,420,754	22,483,454

* Includes financial investments at fair value through profit and loss.

INTERIM REPORT 1ST TO 3RD QUARTER 2007

LIABILITIES AND SHAREHOLDERS' EQUITY

	30/9/2007	31/12/2006
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	931,707	775,701
IV. Other reserves	204,808	292,670
V. Minority interests	128,176	70,799
Total shareholders' equity	2,408,729	2,283,208
B. Subordinated liabilities	433,447	413,200
C. Underwriting provisions		
I. Unearned premiums	966,412	765,602
II. Mathematical reserve	12,200,396	10,477,880
III. Provisions for outstanding claims	2,922,242	2,644,255
IV. Provisions for profit-independent premium refunds	43,669	36,792
V. Provisions for profit-dependent premium refunds	721,952	687,725
VI. Other underwriting provisions	19,811	16,167
Total underwriting provisions	16,874,482	14,628,421
D. Underwriting provisions of unit- and index-linked life insurance	2,804,703	2,238,861
E. Non-underwriting provisions		
I. Provisions for pensions and similar obligations	443,345	526,384
II. Tax provisions	109,834	76,859
III. Other provisions	211,024	232,391
Total non-underwriting provisions	764,203	835,634
F. Liabilities	1,953,823	1,856,439
G. Deferred tax liabilities	111,118	121,528
H. Other liabilities	70,249	106,163
Total LIABILITIES AND SHAREHOLDERS' EQUITY	25,420,754	22,483,454

INTERIM REPORT 1ST TO 3RD QUARTER 2007

CONSOLIDATED INCOME STATEMENT

from 1 January to 30 September 2007 (2006)	1/1–30/9/2007	1/1–30/9/2006
in EUR '000		
Premiums written – Total	5,031,817	4,320,606
Net earned premiums	4,220,307	3,586,832
Net investment income, not incl. shares in affiliated and associated companies	739,402	533,336
Other income	31,798	38,743
Claims and insurance benefits	-3,567,427	-2,999,922
Operating expenses	-988,862	-822,057
Other expenses	-114,683	-111,480
Results from shares in affiliated and associated companies	3,675	5,271
Profit before taxes	324,210	230,723
Tax expense	-61,486	-41,334
Profit for the period	262,724	189,389
Attributable to Wiener Städtische AG shareholders	250,805	182,389
Minority interests in net income for the period	11,919	7,000
Earnings per share, annualised (basic = diluted earnings per share in EUR)	3.18	2.32

from 1 July to 30 September 2007 (2006)	1/7–30/9/2007	1/7–30/9/2006
in EUR '000		
Premiums written – Total	1,538,678	1,291,303
Net earned premiums	1,391,199	1,175,483
Net investment income, not incl. shares in affiliated and associated companies	189,251	176,369
Other income	11,146	9,709
Claims and insurance benefits	-1,146,840	-954,516
Operating expenses	-311,451	-295,726
Other expenses	-25,128	-25,119
Results from shares in affiliated and associated companies	634	1,177
Profit before taxes	108,811	87,377
Tax expense	-20,338	-16,816
Profit for the period	88,473	70,561
Attributable to Wiener Städtische AG shareholders	90,179	68,304
Minority interests in net income for the period	-1,706	2,257
Earnings per share, annualised (basic = diluted earnings per share in EUR)	3.44	2.60

SEGMENT REPORTING BY REGIONS

	Premiums written		Profit before taxes	
	1/1–30/9/2007	1/1–30/9/2006	1/1–30/9/2007	1/1–30/9/2006
in EUR '000				
Austria	2,736,722	2,550,166	206,798	151,750
Czech Republic	842,270	775,304	57,648	38,536
Slovakia	362,790	287,057	26,103	20,463
Poland	390,729	232,562	13,207	5,411
Romania	301,725	167,228	4,407	3,412
Other CEE markets	222,318	149,258	4,956	2,014
Other marks	175,263	159,031	11,091	9,137
Total	5,031,817	4,320,606	324,210	230,723

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INCOME STATEMENT BY BUSINESS SEGMENT

from 1 January to 30 September 2007 (2006)

	Property/Casualty		Life		Health		Total	
	1/1–30/9/07	1/1–30/9/06	1/1–30/9/07	1/1–30/9/06	1/1–30/9/07	1/1–30/9/06	1/1–30/9/07	1/1–30/9/06
in EUR '000								
Premiums written – Total	2,793,096	2,413,757	2,007,602	1,681,818	231,119	225,031	5,031,817	4,320,606
Net earned premiums	1,997,471	1,690,479	1,993,932	1,673,511	228,904	222,842	4,220,307	3,586,832
Net investment income, incl. affiliated and associated companies	132,716	94,571	598,813	436,161	11,548	7,875	743,077	538,607
Other income	19,184	26,244	12,614	12,498	0	1	31,798	38,743
Claims and insurance benefits	-1,306,663	-1,132,946	-2,064,894	-1,677,181	-195,870	-189,795	-3,567,427	-2,999,922
Operating expenses	-552,086	-452,702	-406,688	-341,294	-30,088	-28,061	-988,862	-822,057
Other expenses	-81,277	-80,934	-31,366	-29,821	-2,040	-725	-114,683	-111,480
Profit before taxes	209,345	144,712	102,411	73,874	12,454	12,137	324,210	230,723

CONSOLIDATED CASH FLOW STATEMENT

from 1 January to 30 September 2007 (2006)

	2007	2006
in EUR '000		
Cash and cash equivalents as of 1 January	226,443	290,347
Cash flow from operating activities	1,175,444	1,172,231
Cash flow from investing activities	-1,090,460	-961,181
Cash flow from financing activities	-94,578	-344,291
Cash and cash equivalents before change in consolidation scope and foreign exchange differences	216,849	157,106
Change in scope of consolidation and foreign exchange differences	7,163	14,887
Cash and cash equivalents as of 30 September	224,012	171,993

CHANGE IN GROUP SHAREHOLDERS' EQUITY

from 1 January to 30 September 2007 (2006)

	2007	2006
in EUR '000		
Equity as of 1 January	2,283,208	2,059,332
Exchange rate	1,302	2,066
Change in scope of consolidation/ownership interests	55,719	2,113
Unrealised gains and losses from financial instruments available for sale	-90,081	-56,687
Profit for the period	262,724	189,389
Dividend payment	-104,143	-63,585
Equity as of 30 September	2,408,729	2,132,628

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PREMIUMS WRITTEN – PROPERTY/CASUALTY INSURANCE

from 1 January to 30 September 2007 (2006)	1/1–30/9/2007	1/1–30/9/2006
<i>in EUR '000</i>		
Direct business		
Fire and business interruption due to fire	366,395	322,228
Household insurance	138,143	125,688
Other non-life insurance	244,203	232,294
Motor vehicle liability insurance	809,719	691,007
Other motor vehicle insurance	603,635	455,525
Casualty insurance	183,708	158,188
Liability insurance	194,115	173,609
Legal expenses insurance	33,688	32,625
Marine, aviation, and transport insurance	39,652	34,872
Credit and guarantee insurance	46,895	24,906
Other insurance	115,497	102,255
Subtotal	2,775,650	2,353,197
Indirect business		
Marine, aviation, and transport insurance	868	499
Other insurance	16,578	60,061
Subtotal	17,446	60,560
Total	2,793,096	2,413,757

PREMIUMS WRITTEN – DIRECT LIFE INSURANCE BUSINESS

from 1 January to 30 September 2007 (2006)	1/1–30/9/2007	1/1–30/9/2006
<i>in EUR '000</i>		
Regular premium policies	1,343,785	1,075,481
Single premium policies	662,322	594,852
Total direct life premiums written	2,006,107	1,670,333
<i>of which:</i>		
Policies with profit participation	1,134,713	1,096,524
Policies without profit participation	269,586	219,820
Policies of unit- and index-linked life insurance	601,808	353,989
<i>of which:</i>		
Individual policies	1,774,249	1,507,009
Group policies	231,858	163,324

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EXPENSES FOR CLAIMS AND INSURANCE BENEFITS

from 1 January to 30 September 2007 (2006)

1/1–30/9/2007

1/1–30/9/2006

in EUR '000

Property/casualty insurance

Expenses for insurance claims

Claims payments

1,106,012

1,009,615

Changes in provisions for outstanding claims

181,831

110,591

SUBTOTAL

1,287,843

1,120,206

Change in mathematical reserve

1

–37

Change in other underwriting provisions

1,229

1,314

Expenses for the refund of premiums not dependent on profit

17,590

11,463

TOTAL PAYMENTS

1,306,663

1,132,946

Life insurance

Expenses for insurance benefits

Claims benefits

959,998

705,441

Changes in provisions for outstanding claims

15,590

471

SUBTOTAL

975,588

705,912

Change in mathematical reserve

835,659

833,867

Change in other underwriting provisions

861

1,238

Expenses for the refund of premiums dependent to and not dependent on profit

252,786

136,164

TOTAL PAYMENTS

2,064,894

1,677,181

Health insurance

Expenses for insurance benefits

Claims benefits

149,836

148,379

Changes in provisions for outstanding claims

1,481

132

SUBTOTAL

151,317

148,511

Change in mathematical reserve

33,679

32,527

Expenses for the refund of premiums not dependent on profit

10,874

8,757

TOTAL PAYMENTS

195,870

189,795

TOTAL

3,567,427

2,999,922

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NET INVESTMENT INCOME*

from 1 January to 30 September 2007 (2006)

	Property/Casualty		Life		Health		Total	
	1/1–30/9/07	1/1–30/9/06	1/1–30/9/07	1/1–30/9/06	1/1–30/9/07	1/1–30/9/06	1/1–30/9/07	1/1–30/9/06
in EUR '000								
Detail income								
Current income	159,648	143,083	459,636	388,553	19,720	28,649	639,004	560,285
Income from write-ups	10,832	5,504	20,158	15,580	2,367	1,135	33,357	22,219
Income from the disposal of investments	66,764	35,431	229,379	126,954	7,363	8,115	303,506	170,500
Total	237,244	184,018	709,173	531,087	29,450	37,899	975,867	753,004
Detail expenses								
Depreciation on investments	36,759	29,541	44,825	29,370	8,687	16,727	90,271	75,638
Exchange rate	1,073	744	1,220	2,748	-2	1	2,291	3,493
Losses from the disposal of investments	3,499	3,824	35,630	32,109	2,639	7,522	41,768	43,455
Interest expenses	34,613	31,549	18,005	14,999	4,992	0	57,610	46,548
Other expenses	30,488	26,807	12,740	17,767	1,297	5,960	44,525	50,534
Total	106,432	92,465	112,420	96,993	17,613	30,210	236,465	219,668

* Excluding shares in affiliated and associated companies

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2007

Accounting principles

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and are in compliance with IAS 34 "Interim Reporting."

Information on seasonal and economic factors

Seasonal fluctuations within the Vienna Insurance Group appear mainly in the areas of premiums, losses and financial results.

Based on the high number of inception dates in January, the first quarter has traditionally been the strongest in premiums over the course of the year. In the loss area as well, the first quarter (or first six months, as the case may be) is usually characterized by higher claims experience – in particular due to adverse environmental conditions (snow, melting snow, storms and floods).

As for the financial result, a major portion of dividend payments are made during the second quarter, while distributions by investment funds pick up strongly during the fourth quarter.

The prolonged rise in interest rates in the current year has led to a price decline in the Vienna Insurance Group's fixed income securities area.

Estimates

The preparation of IFRS consolidated interim financial statements requires that management make discretionary assessments and specify assumptions concerning future development that could have significant effects on the recognition and values of assets and liabilities, and income and expenses during the financial year. The estimates relate in particular to underwriting provisions. In the current reporting period, no substantial changes have been made in the system for determining these estimates.

Related-party transactions

This primarily relates to intra-Group reinsurance relationships with low volume, as well as to financing on market terms, particularly in the area of real estate and billing for services. These have no significant effect on business results. The members of the Management and Supervisory Boards were not granted any loans or guarantees during the reporting period.

Information on changes in the scope of consolidation:

Bank Austria Creditanstalt Versicherung AG, Vienna, was merged into UNION Versicherungs-AG, Vienna. The name of the receiving company has been changed to Bank Austria Creditanstalt Versicherung AG, Vienna. As WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP holds an interest of 60.5% in

the share capital of Bank Austria Creditanstalt Versicherung AG after the merger, the company has been fully consolidated in the consolidated financial statements.

Celetná 25, s.r.o., Prague, was merged into Kooperativa pojist'ovna, a.s., Prague.

AIS-Servis s.r.o, Brno, was already included at equity in the consolidated financial statements of the Vienna Insurance Group in the 2nd quarter. In addition, COUNTRY INN VIC Hotelerrichtungs- und Betriebsgesellschaft m.b.H., Vienna, was deconsolidated, as all shares in this company were sold to a company outside of the consolidated group.

Nature and scope of transactions that are unusual with regard to type, amount or frequency

- Acceptance of the takeover bid made by voestalpine to acquire Böhler-Uddeholm AG for EUR 73.00 per share.

Additional share transactions and real estate sales led to realised gains of approximately EUR 304 million in the 1st to 3rd quarters.

- Storm losses caused by Hurricane "Cyril" in the 1st quarter of 2007 (gross loss approximately EUR 60 million – net loss approximately EUR 10 million).

Changes in contingent liabilities and receivables

Compared to the 2006 annual financial statements, the following change took place during the reporting period just ended: The sale of COUNTRY INN VIC Hotelerrichtungs- und Betriebsgesellschaft m.b.H., Vienna, also led to the elimination of joint and several liability on loans amounting to EUR 10.580 million.

DECLARATION BY THE MANAGING BOARD

The Managing Board hereby declares that the consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, give a true and fair view of the net assets, financial position and results of operations of the WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP and the companies included in consolidation.

The board further declares that the consolidated interim report presents the course of business and the business results in such a way as to yield as true a presentation as possible of the assets, financial position and operating results of the WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP as well as of the companies included within the scope of consolidation and that such report describes the material risks and uncertainties to which the business is exposed.

The carrying out of an audit, or an auditor review, of the interim report has been dispensed with.

The Managing Board:

Günter Geyer

Karl Fink

Rudolf Ertl

Peter Hagen

Robert Lasshofer

Martin Simhandl

Vienna, 15 November 2007



MEDIA PUBLISHER AND OWNER

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This interim report can be downloaded as a PDF file in the German or English language from our website at:
www.wienerstaedtsche.com/ir > Downloads

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It goes without saying that all references in the text refer to men and women equally and without discrimination.

In cases of doubt, the German version is authoritative.