

VIG well on track to reach full year targets

6M 2008 results - 21 August 2008

Presenting Team

- § **Peter Hagen, Member of the Managing Board**
- § **Roland Gröll, Head of Group Accounting**
- § **Thomas Schmee, Head of Investor Relations**

Topics

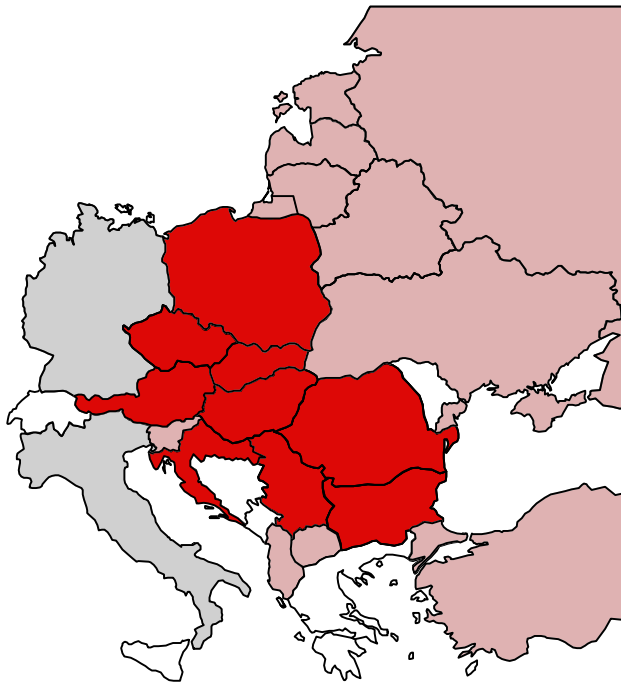
- § **Strategic Update** p.3
- § **Highlights** p.5
- § **P&L and Balance Sheet** p.9
- § **Appendix** p.19

Strategic Update (I)

Already first in CEE core markets before integration of s Versicherung

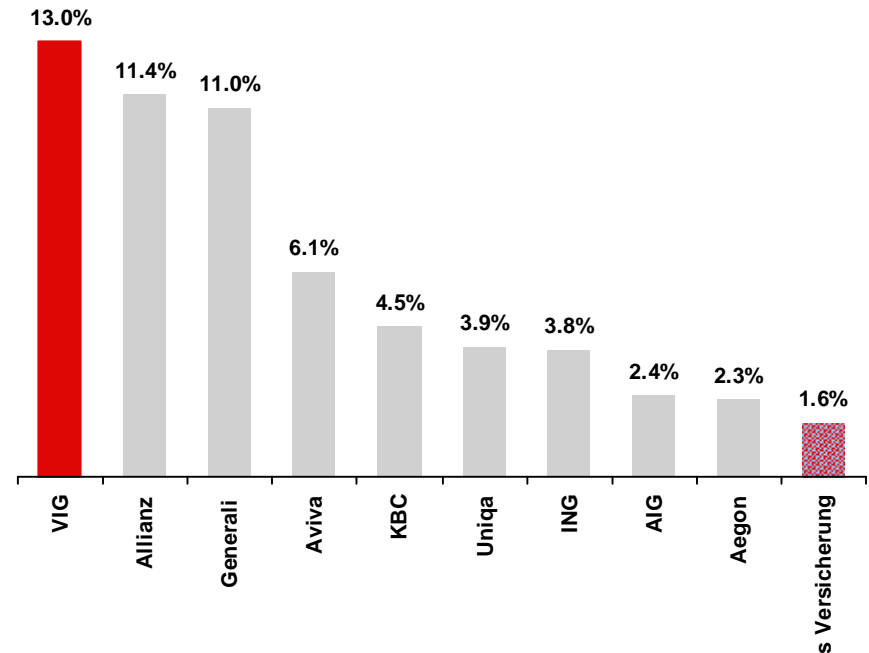
3

Footprint



● Core Markets

Total Market Share in CEE¹



Source: National insurance associations of the respective countries as of 3M 2008

¹ CEE is defined as: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania and Slovakia; interim data for Serbia n.a.

Note: All market shares in this presentation are based on industry statistics and define the markets from a production perspective. Please note that this perspective does not necessarily coincide with market definitions used for marketing research purposes, e.g. studies on customer demand, or merger control purposes.

Acquisition of Erste Bank insurance operations

4

Transaction



Recent Steps

- § EU Commission already approved acquisition of Erste Bank insurance operations; only two local approvals still awaited
- § Closing of transaction expected for September 2008
- § Local mutual distribution agreements just before conclusion
- § Consolidation of Austrian s Versicherung as of 1 July 2008
- § Final consolidation of Austrian BACAV and Romanian Unita as of 30 June 2008

Vienna Insurance Group- 6M 2008 results

Financial Highlights

6M 2008 Highlights (I)

Guidance for 2008 unchanged

6

§ Excellent top-line growth, in particular in CEE (also net of acquisitions)

§ For the first time ever, in Q2 share of CEE business more than 50 % of total premiums

§ Combined ratio (net) stable at 95.9%

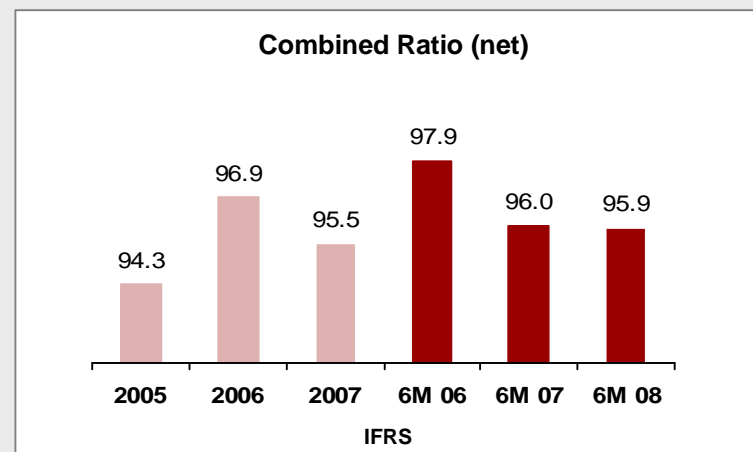
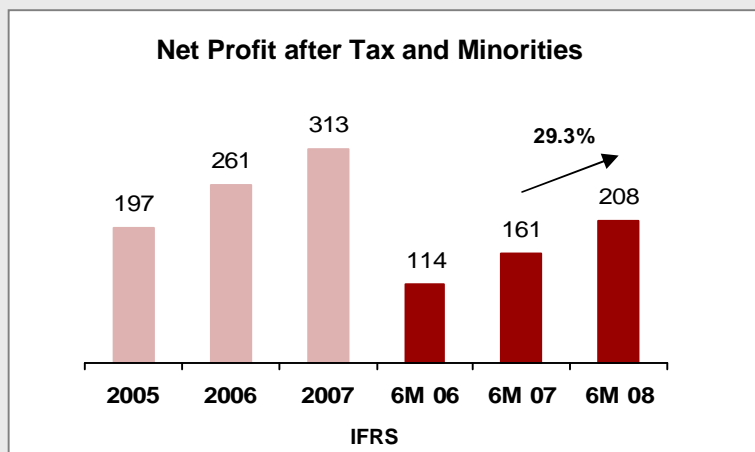
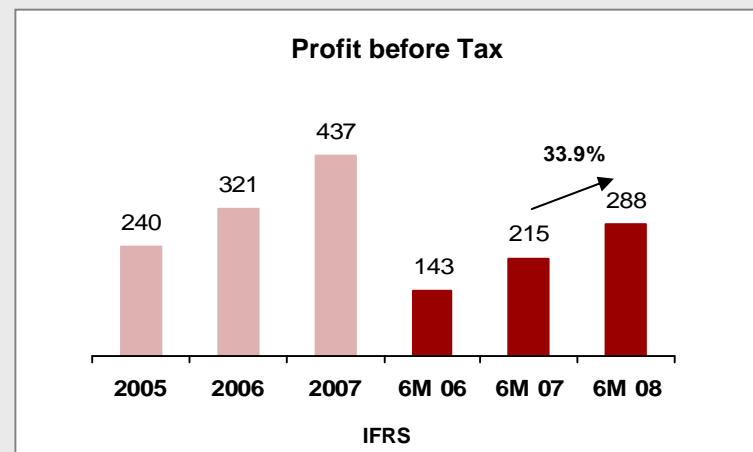
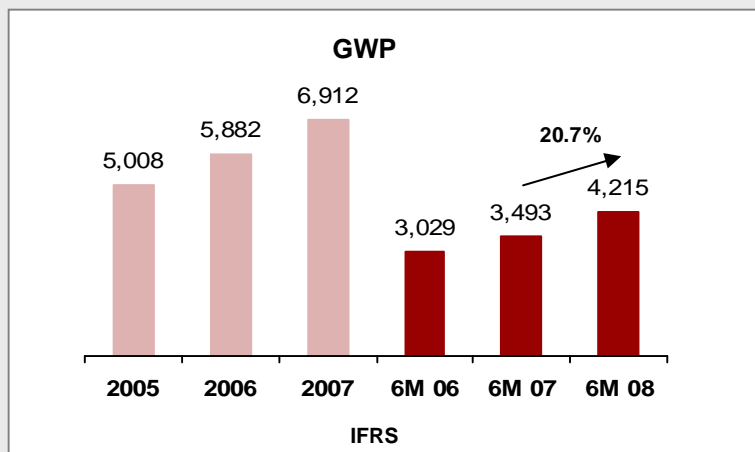
§ Profit before tax growing at faster pace than premiums

§ Half-year PBT development supports EUR 540mn target for full year 2008

§ Final consolidation of Austrian BACAV and Romanian UNITA

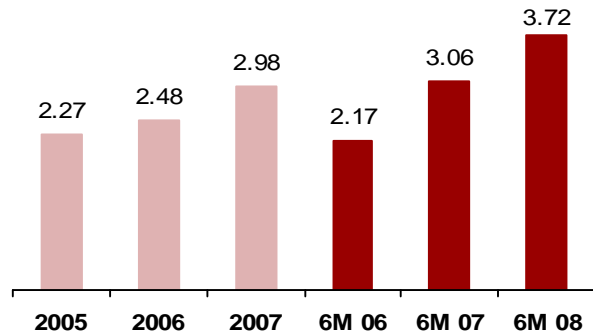
6M 2008 Highlights (II)

VIG defying market trends



6M 2008 Highlights (III)

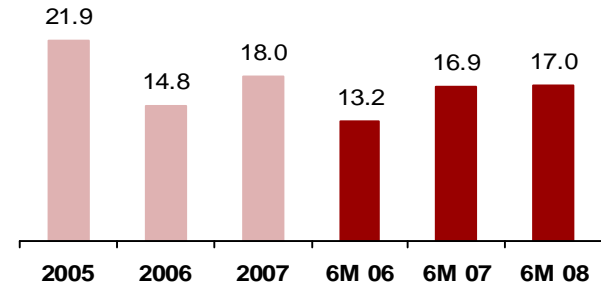
EPS*



** diluted, annualised*

IFRS

ROE before Tax (%)*



** diluted, annualised*

IFRS

**Vienna Insurance Group-
6M 2008 results**

P&L and Balance Sheet Details

6M 2008 Income Statement

IFRS (€mn)

10

	6M 2008	6M 2007	+/-%
1. Gross written premiums	4,215.1	3,493.1	20.7
2. Net earned premiums	3,471.3	2,829.1	22.7
3. Net investment income	618.7	553.2	11.8
4. Other income	30.7	20.7	48.5
Total income	4,120.7	3,403.0	21.1
6. Expenses for claims incurred	-2,912.4	-2,420.6	20.3
7. Operating expenses	-799.9	-677.4	18.1
8. Other expenses	-120.1	-89.6	34.1
Total expenses	-3,832.3	-3,187.6	20.2
Profit before tax	288.3	215.4	33.9
Taxes	-59.5	-41.1	44.5
Net profit before minorities (Profit for the period)	228.9	174.3	31.4
Minorities	-21.1	-13.6	55.2
Net profit after minorites	207.7	160.6	29.3

6M 2008 Balance Sheet

IFRS (€mn)

11

	6M 2008	YE 2007	+/- %
Intangible assets	848	525	61.7
Total investments	18,625	20,171	-7.7
Unit- and index-linked investments	2,214	3,066	-27.8
Reinsurers' share in technical provisions	1,088	1,187	-8.3
Receivables	1,976	1,200	64.6
Deferred tax assets	83	34	144.4
Other assets	256	285	-10.2
Cash and cash equivalents	359	278	29.4
Total assets	25,449	26,745	-4.8
Shareholders' equity	4,085	2,616	56.2
<i>thereof minorities</i>	245	277	-11.8
Subordinated liabilities	375	443	-15.2
Technical provisions	15,352	17,092	-10.2
Unit- and index-linked technical provisions	2,134	2,949	-27.6
Non-technical provisions	704	795	-11.4
Liabilities	2,585	2,689	-3.8
Deferred tax liabilities	124	81	53.7
Other liabilities	89	82	8.7
Total liabilities and equity	25,449	26,745	-4.8

6M 2008 P&L Major Items – Gross Written Premiums

Premium growth stronger than in Q1 (€mn)

12

§ Group GWP gained 20.7% to €4,215mn (+ 15.4% net of acquisitions)

§ Austria: total GWP up 8.3% to reach €2,120mn. Life up 13.3% at €1,014mn (strong single premiums); P&C up 4.5% at €947.7mn influenced by flat motor market (VIG still growing above market) and shift of premium payments

§ The Czech Republic saw GWP growing by 19.7% to €691.0mn with Life gaining 26.5% to reach €170.5mn and Non-life up 17.7% at €520.5mn

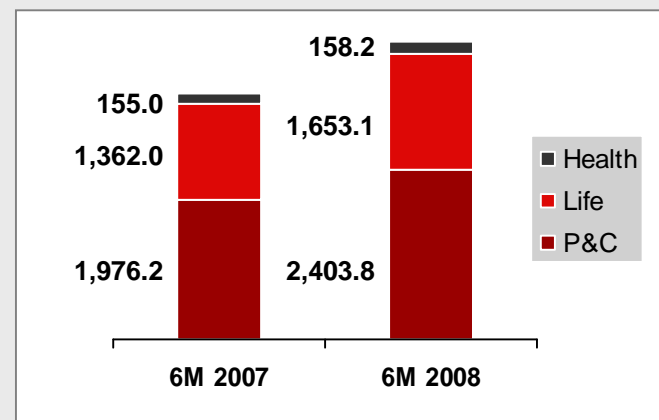
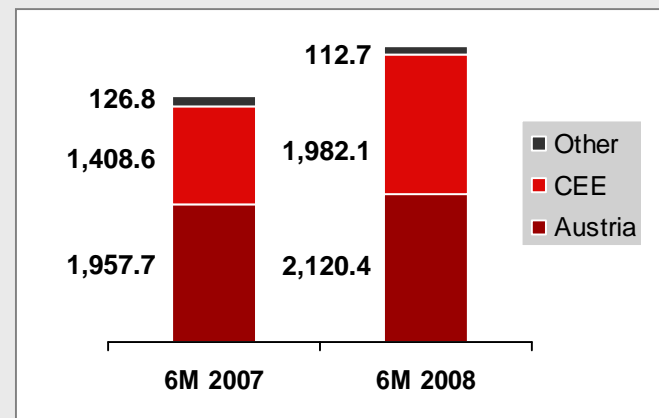
§ In Slovakia business grew by 22.1% to reach €297.5mn, with Life up 47.1% at €122.0mn and P&C up 9.1% at €175.5mn

§ Poland reached €393.9mn in total, up 59.1%, Non-life up 36.7% to €213.5mn, Life up 97.5% to €180.4mn

§ In Romania, VIG attained a premium volume of €360.5mn, an increase of 87.5% (organic growth was 30.3%). Non-life was up 83.6% at €339.5mn and Life up 183.4% at €21.0mn (€13.3mn contribution from Asirom)

§ Substantial increase in Other CEE markets of 61.8% amounting to €239.2mn, with high double digit organic growth

§ Other Markets attained GWP of €112.7mn, weaker by 11.1% due to volatility in single premium business



Note: the following companies were not included in HY 2007: Jupiter, Globus, Kniazha (Ukraine), Ray Sigorta (Turkey) and Asirom (Romania);

pro rata consolidation of TBIH insurance companies (Bulstrad, Helios) increased from 40% to 60%

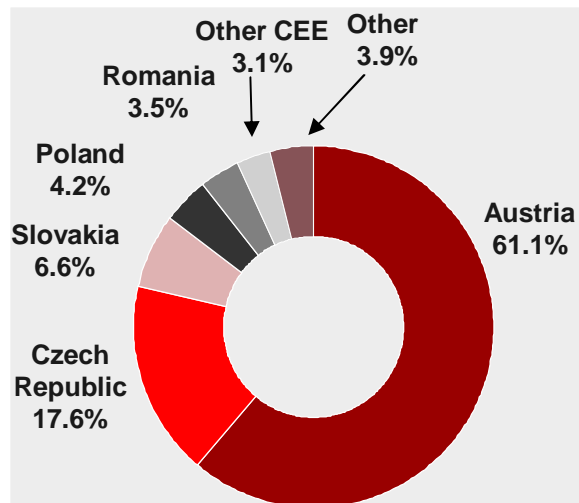
Geographical Diversification Enhanced

GWP split by region

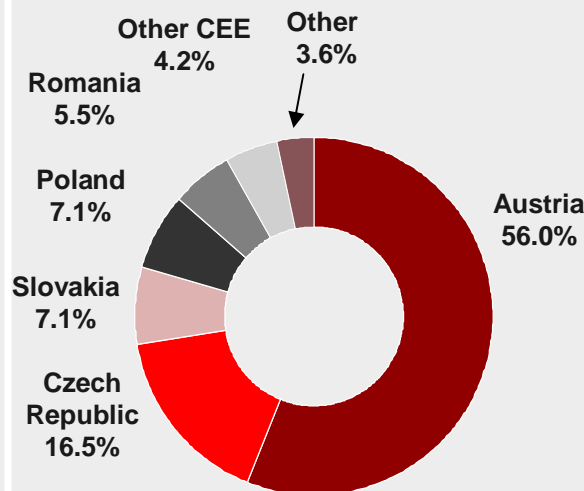
GWP by Geography 6M 06

GWP by Geography 6M 07

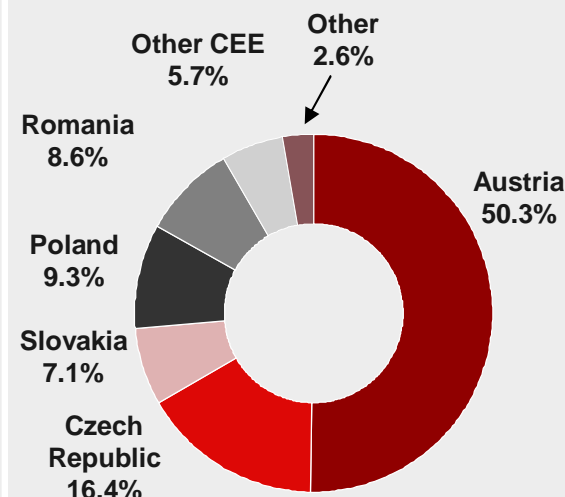
GWP by Geography 6M 08



6M 2006 Total: €3.0bn



6M 2007 Total: €3.5bn



6M 2008 Total: €4.2bn

- § Poland and Romania have more than doubled their share
- § Other CEE substantially gaining weight
- § Czech Republic and Slovakia stable
- § VIIG steadily improving balance of its portfolio

6M 2008 P&L Major Items – Expenses for Claims Incurred

Loss ratio improving despite one-off effects in RO, SK

14

- § Group loss ratio (net) at 63.4% (down from 64.7% in 6M 2007)
- § Austrian loss ratio lower by 3.2% pts at 63.7%, was affected by storms in early 2007
- § Czech Republic saw loss ratio improving by 5.7% pts to 62.4%, was also affected by storms in early 2007
- § In Slovakia loss ratio higher at 56.5% (6M 07: 52.7%) due to increase of reserves for claims from former state monopoly (legal requirement)
- § Poland improving by 8.6% pts to 54.2% due to effective claims and risk management and benign motor pricing
- § Romania saw increase of claims ratio to 75.5% influenced by motor business (in line with market trends) and one-off increase of claims reserve from Unita sales proceeds (7%pts, € 15mn)
- § Other CEE recorded slightly improving ratio of 61.1% (with very moderate claims level in the Ukraine)

EUR mn	P&C	
	6M 2008	6M 2007
Net Earned Premiums:	1,690.1	1,331.9
Expenses for Claims Incurred:	1,072.3	861.5
Ratio	63.4%	64.7%

6M 2008 P&L Major Items – Operating Expenses

Cost ratio slightly up due to acquisition expenses

- § Group cost ratio (net) increasing by 1.2% to reach 32.5%
- § Impact in Austria is 1.3% with cost ratio at 28.8%
- § Costs in the Czech Republic increased to 30.0% due to new IT roll-out expenses
- § Cost ratio in Slovakia down by 0.9% pts at 37.3% due to stable administrative expenses while business is growing substantially
- § Poland showing higher cost ratio at 42.1% influenced by acquisition costs resulting from fast business growth and Religa tax issue
- § Romania recording decrease to 32.5% thanks to scale effects
- § Cost ratio in Other CEE at 42.0%, down by 2.0% pts due to economies of scale

EUR mn	P&C	
	6M 2008	6M 2007
Net Earned Premiums:	1,690.1	1,331.9
Operating Expenses: ¹	549.1	417.3
Ratio	32.5%	31.3%

¹ incl. Other technical result (Other underwriting income and expenses)

6M 2008 P&L Major Items – Net Investment Income

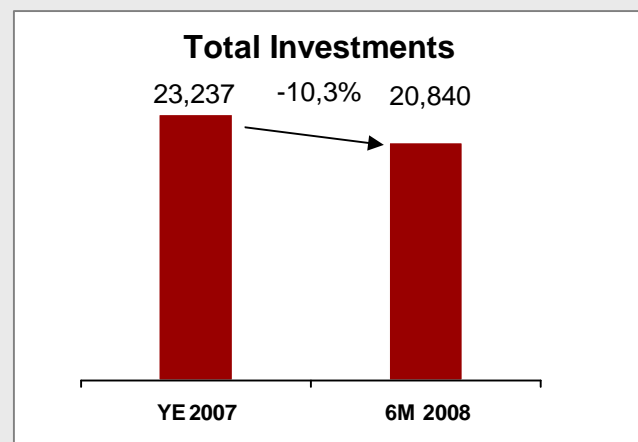
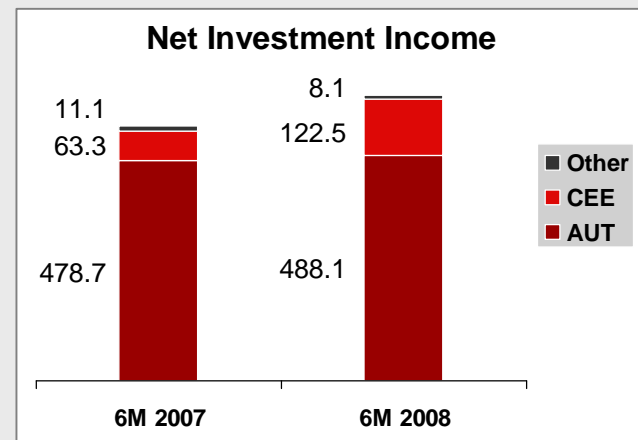
One-off gains balanced by market downturn (€mn)

16

- § Increase in Group Net Investment Income by 11.8% to €618.7mn influenced mainly by
- widening of credit spreads, share prices and by one-off gains from sale of BACAV and UNITA
 - adverse market conditions (interest rates, spreads, equities)
 - higher realised losses mainly in bond portfolio
 - lower payout by investment funds

- § Conservative investment policy, e.g. no US-subprime, no monolines or CDOs

	6M 2008	6M 2007
Investment Income	1,033.7	705.8
<i>thereof: Current Income</i>	531.2	419.2
<i>thereof: Investment income from disposal</i>	490.3	260.8
Expenses for investments and interest	-415.0	-152.6
<i>thereof: realised investment losses</i>	-160.7	-28.0
<i>thereof: depreciation of investments</i>	-104.7	-52.9
Total	618.7	553.2



6M 2008 Investment Split

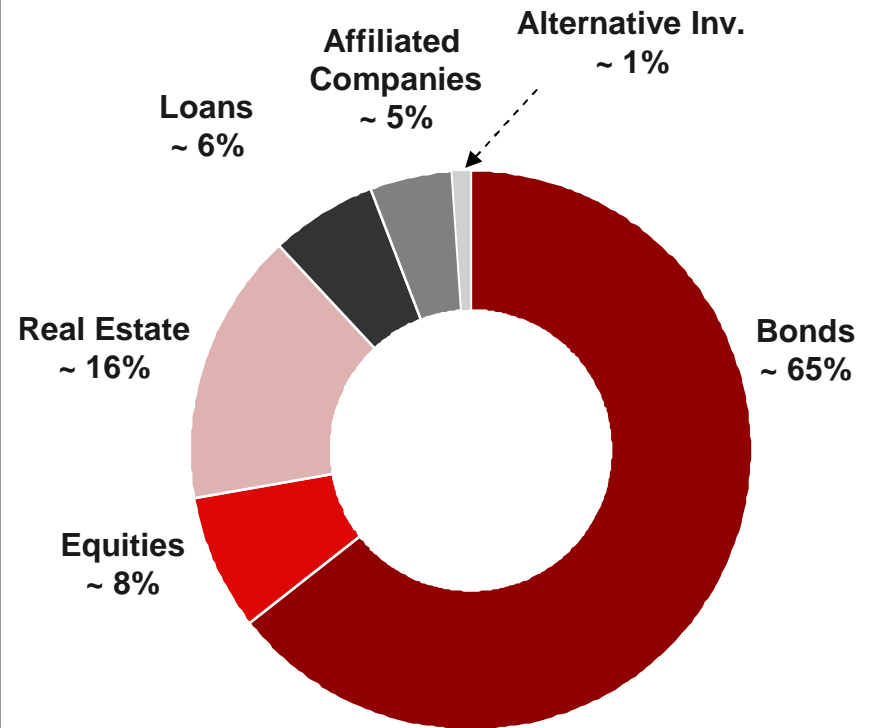
Prudent investment policy paying off

17

Investment policy

- § VIG follows a conservative investment policy throughout market cycles
- § VIG has no US-subprime investments
- § VIG has no investments in monolines or CDOs
- § Total exposure to the structured credit market is less than 0.5% of total investments

Portfolio Overview



6M 2008 Total: EUR 18,625mn

Targets remain in place

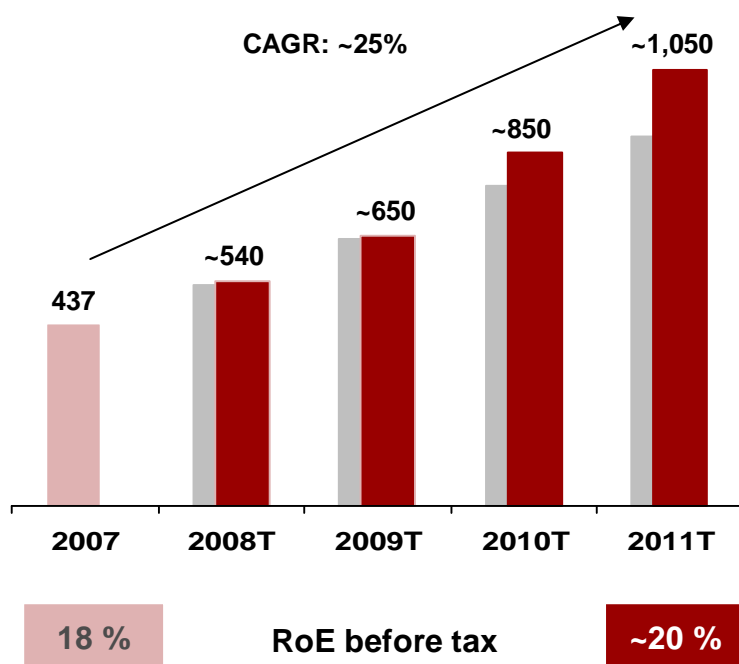
18

VIG's Financial Targets

Comments

Premium Target for 2011: > EUR 12bn

Profit before tax targets in €mn



- § Majority of GWP to come from CEE region by 2011
- § Acquisition of s Versicherung expected to be earnings accretive within the budgeting period

- It is company philosophy to keep the Combined Ratio well below 100% throughout the business cycle
- VIG dividend policy is defined as a payout ratio of min. 30% of Group net profit

Vienna Insurance Group- 6M 2008 results

Appendix

6M 2008 P&L – Business Segments

Property & Casualty, IFRS (€mn)

	6M 2008	6M 2007	+/-%
1. Gross written premiums	2,403.8	1,976.2	21.6
2. Net earned premiums	1,690.1	1,331.9	26.9
3. Net investment income	154.2	93.3	65.3
4. Other income	19.2	11.9	60.9
Total income	1,863.5	1,437.2	29.7
6. Expenses for claims incurred	-1,072.3	-861.5	24.5
7. Operating expenses	-494.7	-377.3	31.1
8. Other expenses	-88.8	-64.3	38.2
Total expenses	-1,655.7	-1,303.1	27.1
Profit before tax	207.8	134.1	55.0

6M 2008 P&L – Business Segments

Life, IFRS (€mn)

21

	6M 2008	6M 2007	+/-%
1. Gross written premiums	1,653.1	1,362.0	21.4
2. Net earned premiums	1,625.5	1,344.3	20.9
3. Net investment income	458.3	445.8	2.8
4. Other income	11.5	8.7	31.5
Total income	2,095.2	1,798.8	16.5
6. Life benefits	-1,701.0	-1,423.9	19.5
7. Operating expenses	-284.7	-279.6	1.8
8. Other expenses	-30.9	-24.7	24.9
Total expenses	-2,016.5	-1,728.2	16.7
Profit before tax	78.7	70.7	11.4

6M 2008 P&L – Business Segments

Health, IFRS (€mn)

22

	6M 2008	6M 2007	+/-%
1. Gross written premiums	158.2	155.0	2.1
2. Net earned premiums	155.7	152.9	1.8
3. Net investment income	6.2	14.1	-56.0
4. Other income	0.0	0.0	0.0
Total income	161.9	166.9	-3.0
6. Expenses for claims incurred	-139.1	-135.3	2.9
7. Operating expenses	-20.6	-20.5	0.5
8. Other expenses	-0.4	-0.6	-31.8
Total expenses	-160.1	-156.3	2.4
Profit before tax	1.8	10.7	-83.0

6M 2008 P&L - Split by Regions (I)

Regional segments, IFRS (€mn)

	Austria			Czech Republic		
	6M 2008	6M 2007	+/-%	6M 2008	6M 2007	+/-%
1. Gross written premiums	2,120.4	1,957.7	8.3	691.0	577.1	19.7
2. Net earned premiums	1,757.8	1,611.2	9.1	542.0	445.8	21.6
3. Net investment income	488.1	478.7	2.0	23.4	21.6	8.2
4. Other income	5.0	4.4	14.1	6.6	5.5	18.9
Total income	2,250.9	2,094.4	7.5	571.9	472.9	20.9
6. Expenses for claims incurred	-1,745.6	-1,617.8	7.9	-353.9	-310.4	14.0
7. Operating expenses	-316.1	-308.4	2.5	-142.8	-108.5	31.6
8. Other expenses	-34.7	-29.6	17.2	-28.8	-18.6	54.5
Total expenses	-2,096.4	-1,955.8	7.2	-525.6	-437.6	20.1
Profit before tax	154.5	138.5	11.5	46.3	35.3	31.2
Combined Ratio	92.4%	94.3%		92.4%	95.4%	

6M 2008 P&L - Split by Regions (II)

Regional segments, IFRS (€mn)

	Slovakia			Poland			Romania		
	6M 2008	6M 2007	+/-%	6M 2008	6M 2007	+/-%	6M 2008	6M 2007	+/-%
1. Gross written premiums	297.5	243.8	22.1	393.9	247.6	59.1	360.5	192.3	87.5
2. Net earned premiums	245.7	189.9	29.4	361.4	216.3	67.1	289.6	139.6	>100
3. Net investment income	9.9	12.2	-18.9	6.4	12.1	-47.3	76.0	5.9	>100
4. Other income	1.4	1.2	17.2	3.7	1.8	>100	9.3	2.2	>100
Total income	257.0	203.3	26.4	371.5	230.2	61.4	374.9	147.7	>100
6. Expenses for claims incurred	-170.8	-126.8	34.7	-225.8	-108.0	>100	-229.0	-83.3	>100
7. Operating expenses	-48.8	-40.9	19.4	-120.7	-105.9	14.0	-93.9	-57.1	64.4
8. Other expenses	-21.5	-18.0	19.3	-10.8	-7.5	44.5	-7.5	-3.1	>100
Total expenses	-241.1	-185.7	29.9	-357.4	-221.5	61.4	-330.3	-143.5	>100
Profit before tax	15.9	17.6	-10.1	14.1	8.7	61.6	44.6	4.2	>100
Combined Ratio	93.8%	90.8%		96.3%	101.8%		107.9%	100.1%	

6M 2008 P&L - Split by Regions (III)

Regional segments, IFRS (€mn)

25

	Other CEE			Other			TOTAL		
	6M 2008	6M 2007	+/-%	6M 2008	6M 2007	+/-%	6M 2008	6M 2007	+/-%
1. Gross written premiums	239.2	147.8	61.8	112.7	126.8	-11.1	4,215.1	3,493.1	20.7
2. Net earned premiums	178.5	114.3	56.2	96.4	112.0	-13.9	3,471.3	2,829.1	22.7
3. Net investment income	6.9	11.5	-40.0	8.1	11.1	-27.4	618.7	553.2	11.8
4. Other income	3.3	3.0	8.5	1.4	2.6	-44.9	30.7	20.7	48.5
Total income	188.7	128.8	46.5	105.9	125.7	-15.8	4,120.7	3,403.0	21.1
6. Expenses for claims incurred	-113.7	-77.0	47.6	-73.5	-97.2	-24.4	-2,912.4	-2,420.6	20.3
7. Operating expenses	-65.8	-43.2	52.3	-11.7	-13.3	-11.8	-799.9	-677.4	18.1
8. Other expenses	-4.9	-4.1	19.1	-11.9	-8.6	37.6	-120.1	-89.6	34.1
Total expenses	-184.4	-124.3	48.3	-97.2	-119.2	-18.5	-3,832.3	-3,187.6	20.2
Profit before tax	4.3	4.5	-3.6	8.7	6.5	33.3	288.3	215.4	33.9
Combined Ratio	103.2%	106.3%		78.7%	88.6%		95.9%	96.0%	

6M 2008 Results by Country

IFRS (€mn)

26

	Non-Life		Life		Total		Profit before Tax		Combined Ratio	
	6M 2008	6M 2007	6M 2008	6M 2007	6M 2008	6M 2007	6M 2008	6M 2007	6M 2008	6M 2007
Austria	1,105.9	1,062.0	1,014.4	895.7	2,120.4	1,957.7	154.5	138.5	92.4%	94.3%
Czech Rep.	520.5	442.3	170.5	134.8	691.0	577.1	46.3	35.3	92.4%	95.4%
Slovakia	175.5	160.8	122.0	82.9	297.5	243.8	15.9	17.6	93.8%	90.8%
Poland	213.5	156.2	180.4	91.3	393.9	247.6	14.1	8.7	96.3%	101.8%
Romania	339.5	184.9	21.0	7.4	360.5	192.3	44.6	4.2	107.9%	100.1%
Other CEE	171.5	91.2	67.7	56.6	239.2	147.8	4.3	4.5	103.2%	106.3%
Hungary	21.8	21.5	31.9	24.7	53.7	46.2	1.7	1.7	105.1%	107.4%
Croatia	25.5	23.1	20.9	19.0	46.3	42.0	1.4	1.4	109.1%	112.1%
Serbia	16.6	12.2	9.6	9.5	26.2	21.7	0.2	1.2	94.3%	99.0%
Bulgaria	49.6	34.5	4.7	3.4	54.2	37.9	0.1	0.2	100.7%	103.4%
Ukraine	19.9	-	0.6	-	20.5	-	0.0	-	103.0%	-
Turkey	38.2	-	-	-	38.2	-	0.9	-	103.2%	-
Other	35.6	33.7	77.1	93.1	112.7	126.8	8.7	6.5	78.7%	88.6%
Liechtenstein	-	-	50.6	66.8	50.6	66.8	1.2	0.6	-	-
Germany	35.6	33.7	26.5	26.3	62.1	60.0	7.5	6.0	78.7%	88.6%
Total	2,562.0	2,131.2	1,653.1	1,362.0	4,215.1	3,493.1	288.3	215.4	95.9%	96.0%

Change in Group Shareholders' Equity

IFRS

27

	1.1. - 30.06.2008	1.1. - 30.06.2007
Equity as of 1 January	2,615,563	2,283,208
Currency Changes	55,336	-1,957
Changes to consolidation	39,270	39,396
Capital Increase	1,343,078	-
Unrealised Gains and Losses on financial instruments available for sale	-76,857	-69,667
Profit for the period	228,882	174,251
Dividend payment	-120,324	-101,698
Equity as of 30 June	4,084,948	2,323,533

Life Insurance Premium Split

IFRS (€mn)

Premiums written - direct business	6M 2008	6M 2007	+/- %
Regular premiums	926.9	880.5	5.3%
Single premiums	723.7	480.3	50.7%
Total premiums written - direct business	1,650.6	1,360.8	21.3%
thereof:			
Policies with profit participation	936.9	783.4	19.6%
Policies without profit participation	170.2	208.2	-18.2%
unit- and index-linked life insurance	543.4	369.2	47.2%
thereof:			
Individual insurance	1,413.7	1,211.1	16.7%
Group insurance	236.8	149.8	58.1%

Q2 2008 Income Statement

IFRS (€mn)

29

	Q2 2008	Q2 2007	+/-%
1. Gross written premiums	1,903.9	1,474.8	29.1
2. Net earned premiums	1,734.5	1,364.8	27.1
3. Net investment income	443.1	347.9	27.4
4. Other income	13.2	11.8	12.1
Total income	2,190.8	1,724.4	27.0
6. Expenses for claims incurred	-1,553.2	-1,235.8	25.7
7. Operating expenses	-408.3	-329.7	23.8
8. Other expenses	-65.8	-44.2	48.9
Total expenses	-2,027.3	-1,609.7	25.9
Profit before tax	163.5	114.7	42.6
Taxes	-33.5	-22.6	48.2
Net profit before minorities (Profit for the year)	130.0	92.1	41.2
Minorities	-13.7	-7.4	84.3
Net profit after minorites	116.3	84.6	37.4

6M 2008 Exchange Rates

National currency unit per EUR

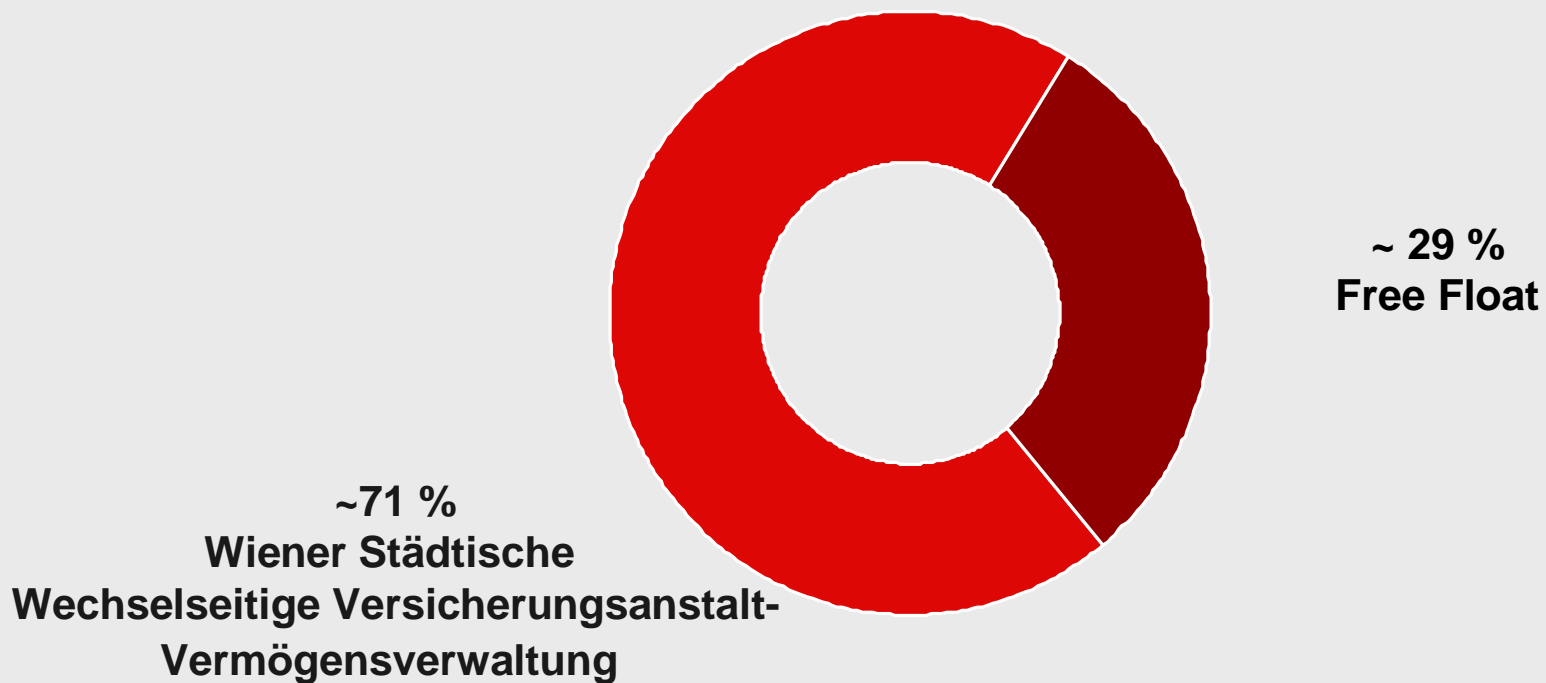
6M 2008				6M 2007	
Country	Curr.	Balance Sheet EUR	P & L EUR	Balance Sheet EUR	P & L EUR
Bulgaria	EUR/BGN	1.9558	1.9558	1.9558	1.9558
Croatia	EUR/HRK	7.2365	7.2556	7.3035	7.3576
Liechtenstein	EUR/CHF	1.6056	1.6114	1.6553	1.6318
Poland	EUR/PLN	3.3513	3.4070	3.7677	3.8441
Romania	EUR/RON	3.6415	3.6521	3.1340	3.3309
Serbia	EUR/CSD	78.9784	81.6813	79.0264	80.2504
Slovakia	EUR/SKK	30.2050	31.4028	33.6349	34.0530
Czech Republik	EUR/CZK	23.8930	24.8304	28.7183	28.1524
Hungary	EUR/HUF	235.4300	248.0447	246.1236	250.3756
Turkey	EUR/TRY	1.9323	1.9717		
Ukraine	EUR/UAH	7.6361	7.6895		

Shareholder Structure (I)

Total number of shares 128,000,000

31

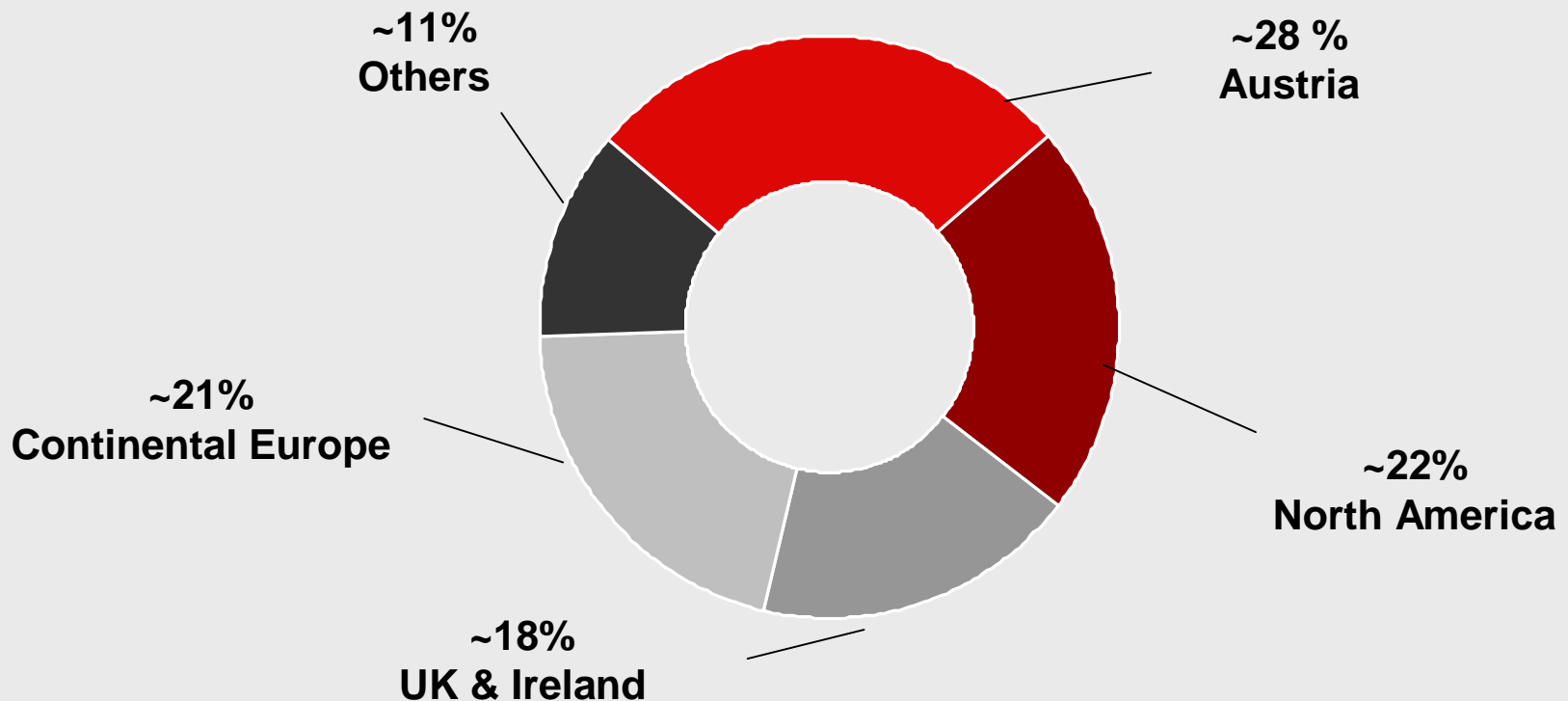
Shareholder Structure



Shareholder Structure (II)

Total number of shares 128,000,000

Free Float Geographical Split



Wiener Städtische Versicherung AG
Vienna Insurance Group
Schottenring 30, 1010 Vienna, Austria
www.viennainsurancegroup.com

Stock exchange listing:	VIENNA / PRAGUE
Ticker symbol:	VIG / VIG
Reuters:	VIGR.VI / VIGR.PR
Bloomberg:	VIG AV / VIG CP

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