

VIG – offering stability in turbulent times

9M 2008 results - 11 November 2008

Presenting Team

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Topics

- § **Recent Developments** p.3
- § **Highlights** p.6
- § **P&L and Balance Sheet** p.10
- § **Appendix** p.19

Recent Developments

A deal to reap CEE life growth potential

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Transaction



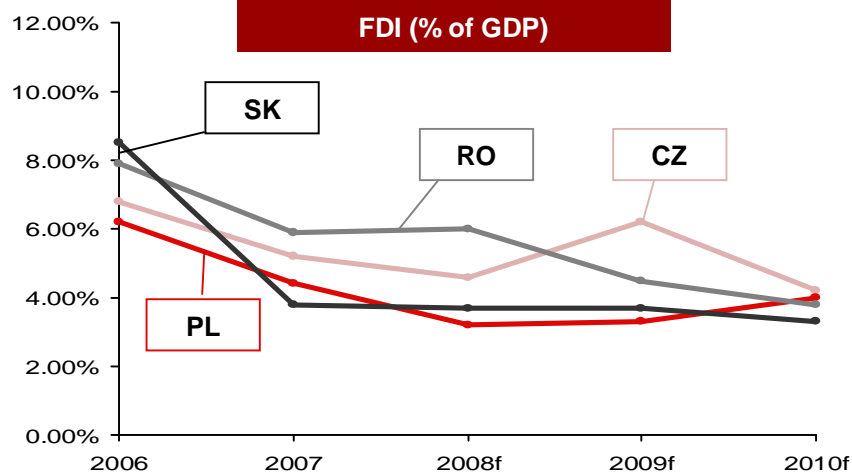
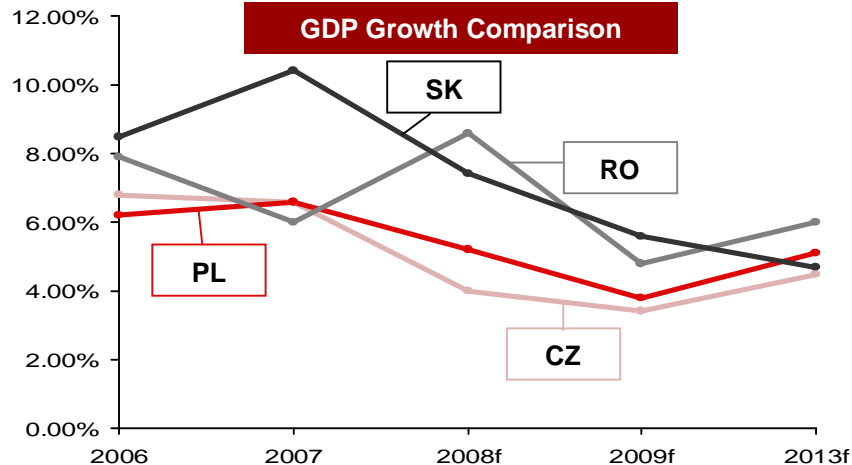
Mutuality is the key success factor for the cooperation

Recent Steps

- § Closing of transaction on 15 September 2008
- § Local mutual distribution agreements concluded, supporting original business plans for s Versicherung at time of acquisition
- § GWP of s Versicherung Group amounted to € 1.0bn (+33.4%) in 9M 2008; contribution to VIG premium volume in Q3 2008 € 172.9mn
- § Consolidation of CEE Group companies as of Q4 2008
- § Closing of sale of BACAV and Unita already effected

Macro Environment in CEE Countries

Recent forecasts confirm: CEE growth to outperform EU-15 levels



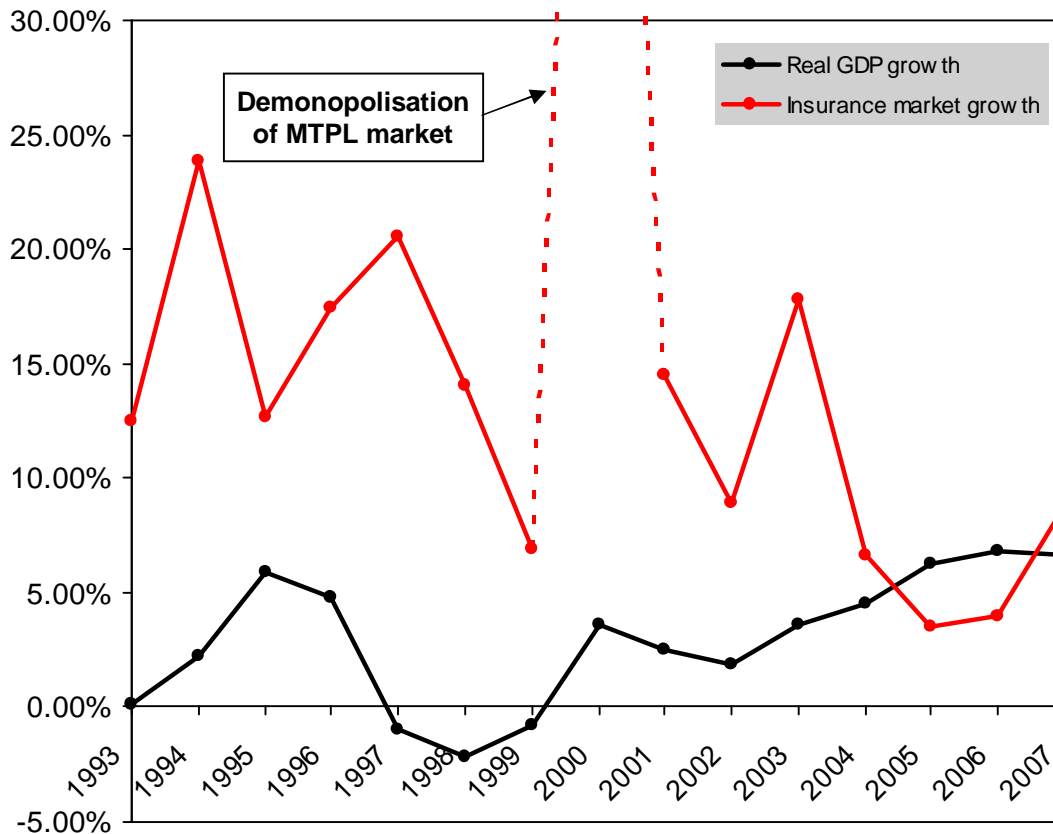
Comments

- § Latest revised GDP growth projections by European commission for VIG CEE core markets (except Hungary) still at 3.5 – 5.0%
- § FDI into CEE to be maintained as largely influenced by dedicated EU funds for infrastructure and defined economic sectors
- § Local insurance premiums are invested in local assets – natural hedge

Czech Insurance Demand History

Strong demand for insurance also when economy was weak

Real GDP Growth vs. Insurance Market Growth¹



Comments

- § Czech Republic showed sound insurance demand even in times of economic recession in the late 90ies
- § Corporate business was stable – e.g. fire policies not cancelled
- § Upcoming SME sector with need for new insurance packages
- § Motor TPL is major stability factor
- § 2005/06: after EU entry of CZ, fronting business lost to international programmes
- § Most CEE markets still largely dominated by motor business which is stable factor in economic downturn

¹: Source: GDP growth: IMF World Economic Outlook; Insurance market growth: Axco



**Vienna Insurance Group-
9M 2008 results**

Financial Highlights

9M 2008 Highlights (I)

VIG maintains strong capitalisation

§ Double digit premium growth in 9M and in Q3

§ In Q3 share of CEE business again more than 50 % of total premiums

§ Combined ratio (net) stable at 96%

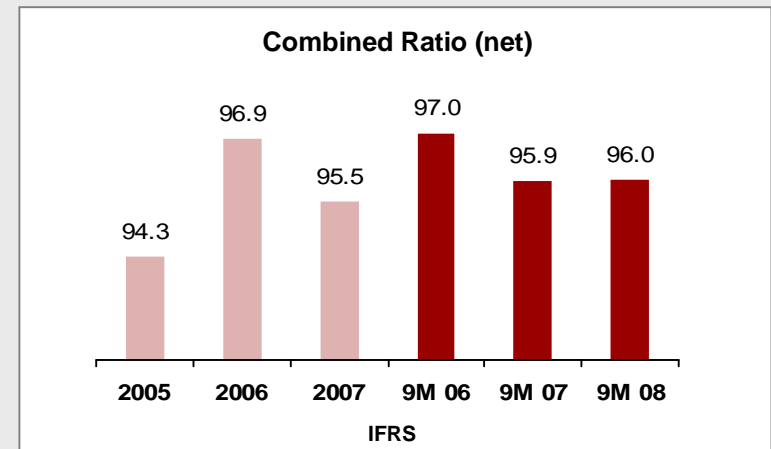
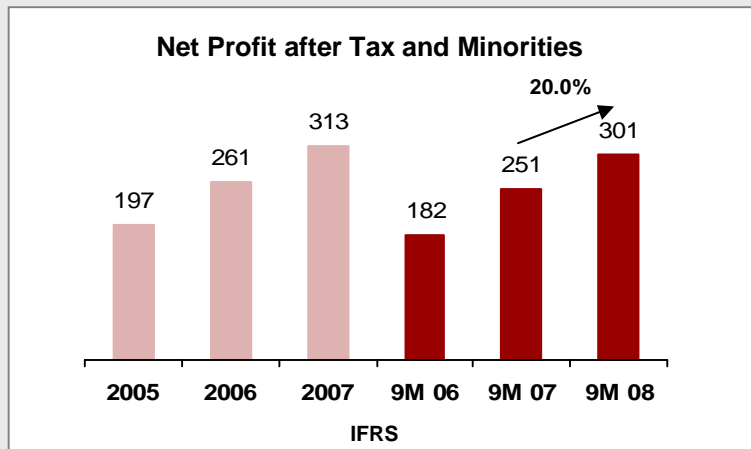
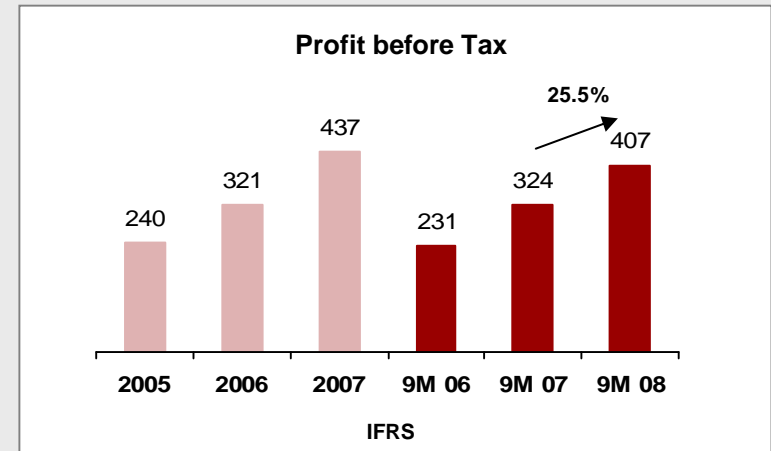
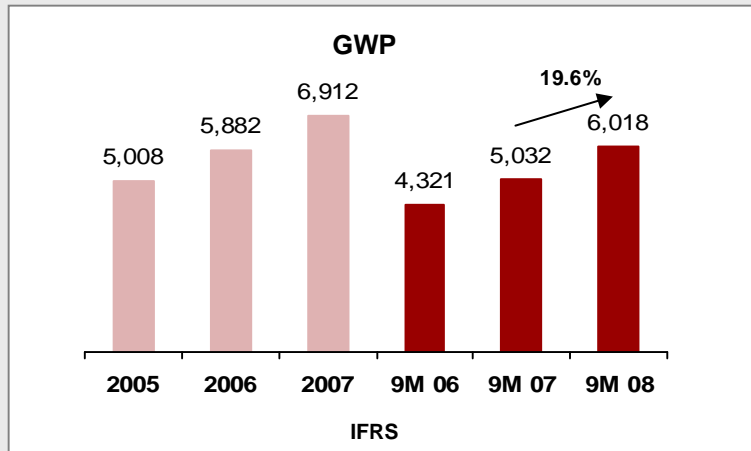
§ Group equity stable at more than EUR 4bn

§ Stable outlook for 2008 – subject to further development of capital markets

§ Unchanged dividend of EUR 1.1 planned for 2008 despite 22% dilution from SPO in May

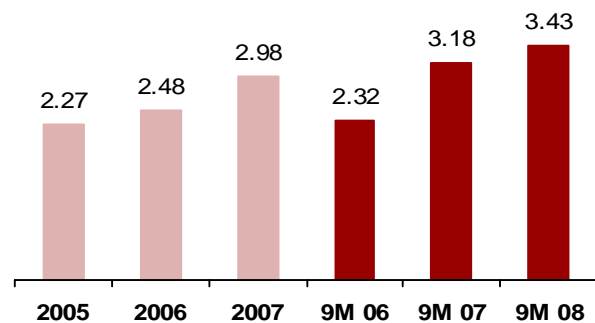
9M 2008 Highlights (II)

VIG with stable performance



9M 2008 Highlights (III)

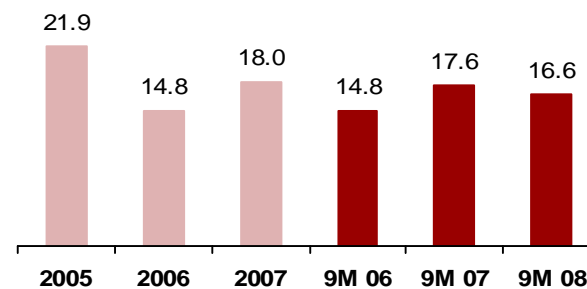
EPS*



** diluted, annualised*

IFRS

ROE before Tax (%)*



** diluted, annualised*

IFRS

**Vienna Insurance Group-
9M 2008 results**

P&L and Balance Sheet Details

9M 2008 Income Statement

IFRS (€mn)

	9M 2008	9M 2007	+/-%
1. Gross written premiums	6,017.8	5,031.8	19.6
2. Net earned premiums	5,169.1	4,220.3	22.5
3. Net investment income	806.2	743.1	8.5
4. Other income	42.7	31.8	34.3
Total income	6,018.0	4,995.2	20.5
6. Expenses for claims incurred	-4,251.4	-3,567.4	19.2
7. Operating expenses	-1,191.5	-988.9	20.5
8. Other expenses	-168.4	-114.7	46.9
Total expenses	-5,611.2	-4,671.0	20.1
Profit before tax	406.8	324.2	25.5
Taxes	-77.8	-61.5	26.6
Net profit before minorities (Profit for the period)	329.0	262.7	25.2
Minorities	-28.0	-11.9	>100
Net profit after minorites	301.0	250.8	20.0

9M 2008 Balance Sheet

IFRS (€mn)

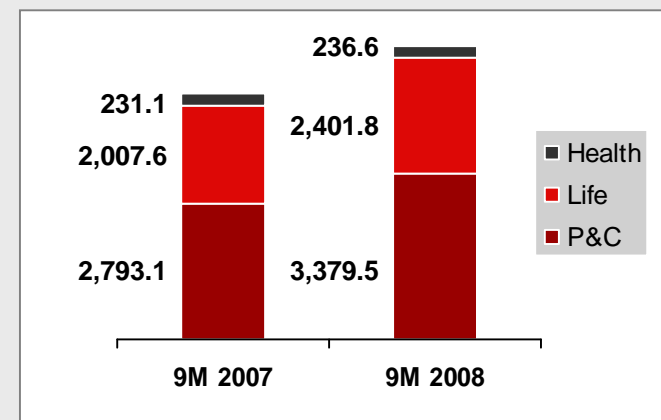
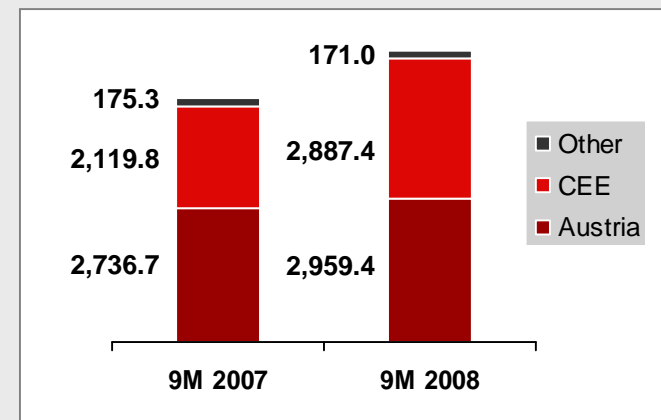
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	9M 2008	YE 2007	+/- %
Intangible assets	1,222	525	>100
Total investments	24,221	20,171	20.1
Unit- and index-linked investments	3,567	3,066	16.3
Reinsurers' share in technical provisions	1,154	1,187	-2.7
Receivables	1,769	1,200	47.4
Deferred tax assets	112	34	>100
Other assets	246	285	-13.4
Cash and cash equivalents	781	278	>100
Total assets	33,074	26,745	23.7
Shareholders' equity	4,101	2,616	56.8
<i>thereof minorities</i>	257	277	-7.3
Subordinated liabilities	502	443	13.3
Technical provisions	21,413	17,092	25.3
Unit- and index-linked technical provisions	3,311	2,949	12.3
Non-technical provisions	742	795	-6.6
Liabilities	2,769	2,689	3.0
Deferred tax liabilities	153	81	88.9
Other liabilities	82	82	0.7
Total liabilities and equity	33,074	26,745	23.7

9M 2008 P&L Major Items – Gross Written Premiums

Sustained strong premium growth (€mn)

- § Group GWP gained 19.6% to €6,018mn
- § Austria: total GWP up 8.1% to reach €2,959mn. Life up 11.3% at €1,439mn; P&C up 5.8% at €1,284mn influenced by flat motor market (VIG still growing above market)
- § The Czech Republic saw GWP growing by 19.5% to €1,007mn with Life gaining 24.2% to reach €254.8mn and Non-life up 18.0% at €752.0mn
- § In Slovakia business grew by 16.5% to reach €422.8mn, with Life up 29.0% at €175.5mn and P&C up 9.1% at €247.4mn
- § Poland reached €609.1mn in total, up 55.9%, Non-life up 34.9% to €324.1mn, Life up 89.3% to €285.1mn
- § In Romania, VIG attained a premium volume of €494.8mn, an increase of 64.0% despite disposal of UNITA in Q3. Non-life was up 60.2% at €466.2mn and Life up 167.5% at €28.6mn (€18.8mn contribution from Asirom)
- § Substantial increase in Other CEE markets of 59.2% amounting to €353.9mn, with high double digit organic growth
- § Other Markets attained GWP of €171.0mn, weaker by 2.4% 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%

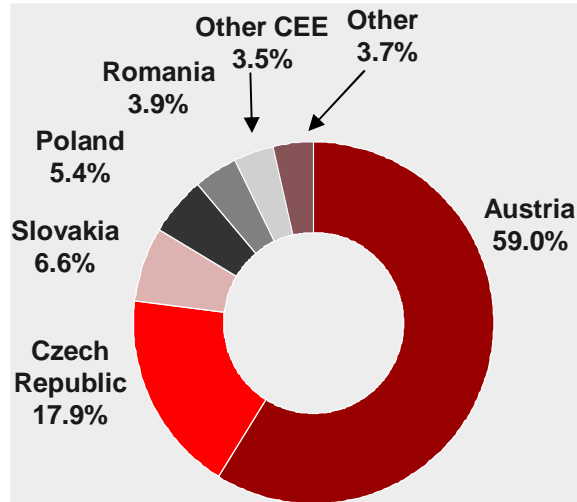
Geographical Diversification Enhanced

GWP split by region

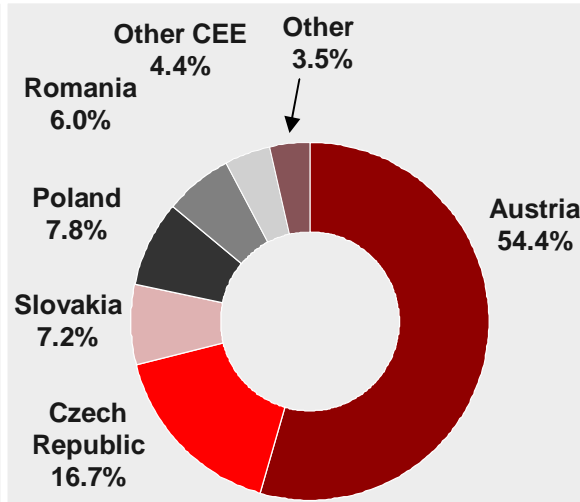
GWP by Geography 9M 06

GWP by Geography 9M 07

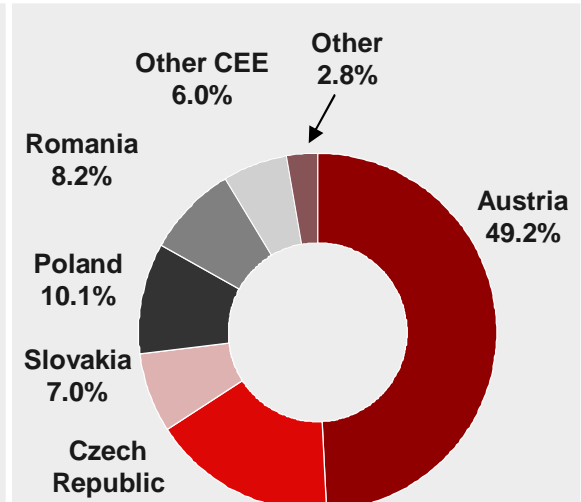
GWP by Geography 9M 08



9M 2006 Total: €4.3bn



9M 2007 Total: €5.0bn



9M 2008 Total: €6.0bn

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

9M 2008 P&L Major Items – Expenses for Claims Incurred

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

- § Group loss ratio (net) at 64.2% (down from 65.4% in 9M 2007)
- § Austrian loss ratio lower by 3.0% pts at 64.8%, was affected by storms in early 2007
- § Czech Republic saw loss ratio improving by 4.7% pts to 63.7%, was also affected by storms in early 2007
- § In Slovakia loss ratio higher at 59.4% (9M 07: 53.8%) mainly due to increase of reserves for claims from former state monopoly (legal requirement)
- § Poland improving by 3.0% pts to 57.1% due to effective claims and risk management and benign motor pricing
- § Romania saw increase of claims ratio to 72.8% (down by 3 pts vs. 1st HY) influenced by motor business (in line with market trends) and one-off increase of claims reserve from Unita sales proceeds (5% pts, € 15mn)
- § Other CEE recorded slightly improving ratio of 61.2%, stable vs. 1st HY

EUR mn	P&C	
	9M 2008	9M 2007
Net Earned Premiums:	2,545.4	1,997.5
Expenses for Claims Incurred:	1,633.7	1,306.7
Ratio	64.2%	65.4%

9M 2008 P&L Major Items – Operating Expenses

Cost ratio slightly up due to acquisition expenses

- § Group cost ratio (net) increasing by 1.3% pts to reach 31.8% (vs. 32.5% in 1st HY)
- § Cost ratio in Austria up by 1.8% pts at 28.5% due to salary increases
- § Costs in the Czech Republic increased to 28.5% (vs. 30.0% in 1st HY) due to new IT roll-out expenses
- § Cost ratio in Slovakia down by 2.1% pts at 34.4% due to strict cost management and lower commissions
- § Poland showing higher cost ratio at 41.7% influenced by Religa tax issue
- § Romania recording substantial decrease to 31.8% thanks to scale effects
- § Cost ratio in Other CEE fairly stable at 42.2%

EUR mn	P&C	
	9M 2008	9M 2007
Net Earned Premiums:	2,545.4	1,997.5
Operating Expenses: ¹	809.6	609.7
Ratio	31.8%	30.5%

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

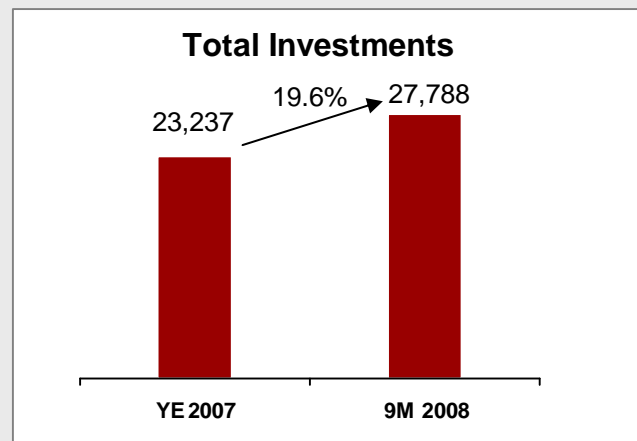
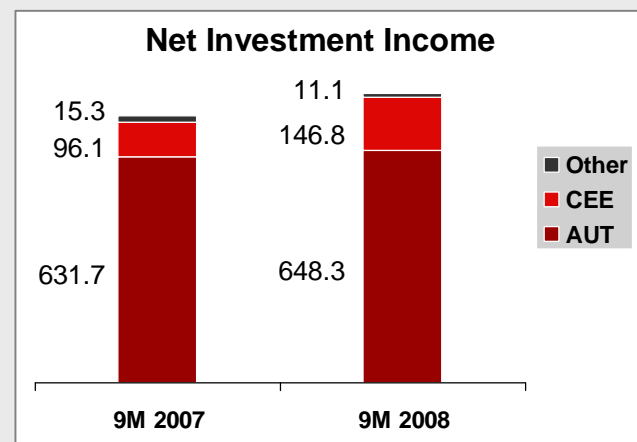
9M 2008 P&L Major Items – Net Investment Income

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

§ Increase in Group Net Investment Income by 8.5% to € 806.2mn influenced mainly 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

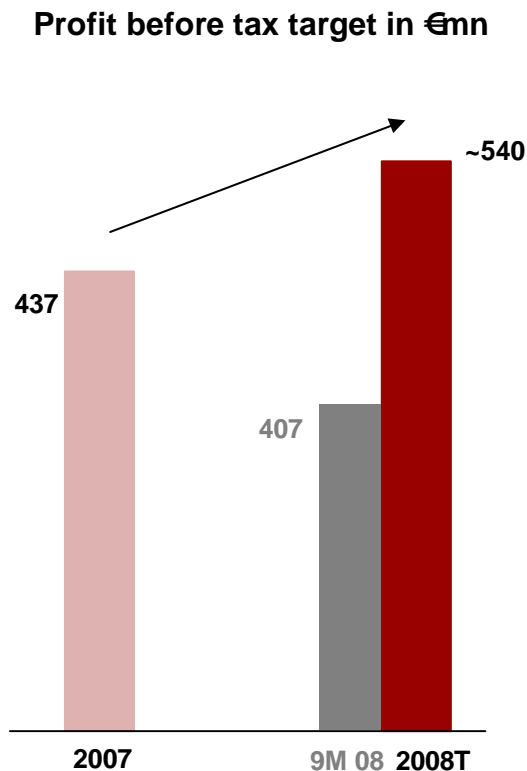
§ Conservative investment policy, e.g. no US-subprime, no monolines or CDOs



	9M 2008	9M 2007
Investment Income	1,519.7	979.7
<i>thereof: Current Income</i>	865.6	642.3
<i>thereof: Investment income from disposal</i>	627.8	303.9
Expenses for investments and interest	-713.5	-236.6
<i>thereof: realised investment losses</i>	-241.9	-41.8
<i>thereof: depreciation of investments</i>	-176.9	-82.2
Total	806.2	743.1

VIG's Financial Outlook

Comments



- § PBT target of EUR ~ 540mn for year 2008 maintained, subject to further development of capital markets in Q4
 - § Management aims to achieve PBT in 2009 at least on the level of 2008 or better provided that capital markets show upturn
 - § Shaky situation of capital markets does not allow for firm establishment of medium term targets
 - § Unchanged dividend payout of EUR 1.1 per share despite 22% SPO in May 2008
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- VIG dividend policy is defined as a payout ratio of min. 30% of Group net profit
 - It is company philosophy to keep the Combined Ratio well below 100% throughout the business cycle

**Vienna Insurance Group-
9M 2008 results**

Appendix

9M 2008 P&L – Business Segments

Property & Casualty, IFRS (€mn)

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	9M 2008	9M 2007	+/-%
1. Gross written premiums	3,379.5	2,793.1	21.0
2. Net earned premiums	2,545.4	1,997.5	27.4
3. Net investment income	234.0	132.7	76.3
4. Other income	28.1	19.2	46.4
Total income	2,807.5	2,149.4	30.6
6. Expenses for claims incurred	-1,633.7	-1,306.7	25.0
7. Operating expenses	-725.3	-552.1	31.4
8. Other expenses	-126.5	-81.3	55.6
Total expenses	-2,485.5	-1,940.0	28.1
Profit before tax	322.0	209.3	53.8

9M 2008 P&L – Business Segments

Life, IFRS (€mn)

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	9M 2008	9M 2007	+/-%
1. Gross written premiums	2,401.8	2,007.6	19.6
2. Net earned premiums	2,389.4	1,993.9	19.8
3. Net investment income	564.2	598.8	-5.8
4. Other income	14.6	12.6	15.5
Total income	2,968.2	2,605.4	13.9
6. Life benefits	-2,410.5	-2,064.9	16.7
7. Operating expenses	-435.2	-406.7	7.0
8. Other expenses	-41.2	-31.4	31.4
Total expenses	-2,886.9	-2,502.9	15.3
Profit before tax	81.4	102.4	-20.5

9M 2008 P&L – Business Segments

Health, IFRS (€mn)

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	9M 2008	9M 2007	+/-%
1. Gross written premiums	236.6	231.1	2.4
2. Net earned premiums	234.2	228.9	2.3
3. Net investment income	8.0	11.5	-30.5
4. Other income	0.0	0.0	0.0
Total income	242.3	240.5	0.8
6. Expenses for claims incurred	-207.2	-195.9	5.8
7. Operating expenses	-31.0	-30.1	3.0
8. Other expenses	-0.7	-2.0	-65.8
Total expenses	-238.9	-228.0	4.8
Profit before tax	3.4	12.5	-72.6

9M 2008 P&L - Split by Regions (I)

Regional segments, IFRS (€mn)

	Austria			Czech Republic		
	9M 2008	9M 2007	+/-%	9M 2008	9M 2007	+/-%
1. Gross written premiums	2,959.4	2,736.7	8.1	1,006.7	842.3	19.5
2. Net earned premiums	2,582.5	2,375.0	8.7	815.1	665.4	22.5
3. Net investment income	648.3	631.7	2.6	36.8	35.7	3.1
4. Other income	7.7	7.3	5.6	9.6	8.7	10.1
Total income	3,238.5	3,014.0	7.4	861.4	709.8	21.4
6. Expenses for claims incurred	-2,472.8	-2,331.7	6.1	-547.8	-462.4	18.5
7. Operating expenses	-488.5	-448.6	8.9	-202.4	-159.6	26.8
8. Other expenses	-35.7	-26.9	32.9	-40.7	-30.1	35.0
Total expenses	-2,997.1	-2,807.2	6.8	-790.9	-652.1	21.3
Profit before tax	241.4	206.8	16.7	70.5	57.6	22.3
Combined Ratio	93.3%	94.5%		92.2%	95.5%	

9M 2008 P&L - Split by Regions (II)

Regional segments, IFRS (€mn)

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	Slovakia			Poland			Romania		
	9M 2008	9M 2007	+/-%	9M 2008	9M 2007	+/-%	9M 2008	9M 2007	+/-%
1. Gross written premiums	422.8	362.8	16.5	609.1	390.7	55.9	494.8	301.7	64.0
2. Net earned premiums	358.1	288.6	24.1	564.7	337.3	67.4	423.3	221.1	91.5
3. Net investment income	10.7	17.4	-38.2	8.3	18.5	-55.0	83.5	6.6	>100
4. Other income	2.8	1.6	77.1	5.0	2.2	>100	11.1	4.6	>100
Total income	371.7	307.6	20.8	577.9	358.0	61.4	518.0	232.3	123.0
6. Expenses for claims incurred	-262.2	-199.5	31.4	-358.7	-181.3	97.8	-320.1	-138.0	>100
7. Operating expenses	-64.8	-59.1	9.7	-184.2	-153.1	20.3	-132.9	-83.5	59.2
8. Other expenses	-33.4	-22.9	45.7	-17.2	-10.3	66.3	-13.0	-6.4	>100
Total expenses	-360.5	-281.5	28.0	-560.0	-344.8	62.4	-466.0	-227.9	>100
Profit before tax	11.3	26.1	-56.8	17.9	13.2	35.7	52.0	4.4	>100
Combined Ratio	93.9%	90.4%		98.9%	99.6%		104.6%	100.1%	

9M 2008 P&L - Split by Regions (III)

Regional segments, IFRS (€mn)

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	Other CEE			Other			TOTAL		
	9M 2008	9M 2007	+/-%	9M 2008	9M 2007	+/-%	9M 2008	9M 2007	+/-%
1. Gross written premiums	353.9	222.3	59.2	171.0	175.3	-2.4	6,017.8	5,031.8	19.6
2. Net earned premiums	277.9	178.9	55.4	147.5	154.1	-4.3	5,169.1	4,220.3	22.5
3. Net investment income	7.5	17.9	-58.2	11.1	15.3	-27.3	806.2	743.1	8.5
4. Other income	4.2	4.1	2.2	2.3	3.2	-29.6	42.7	31.8	34.3
Total income	289.6	200.9	44.1	160.9	172.6	-6.8	6,018.0	4,995.2	20.5
6. Expenses for claims incurred	-175.3	-125.9	39.2	-114.4	-128.6	-11.0	-4,251.4	-3,567.4	19.2
7. Operating expenses	-101.5	-64.9	56.4	-17.2	-20.1	-14.4	-1,191.5	-988.9	20.5
8. Other expenses	-11.7	-5.2	>100	-16.7	-12.8	30.3	-168.4	-114.7	46.9
Total expenses	-288.5	-196.0	47.2	-148.4	-161.5	-8.2	-5,611.2	-4,671.0	20.1
Profit before tax	1.1	5.0	-77.1	12.6	11.1	13.5	406.8	324.2	25.5
Combined Ratio	103.4%	107.6%		81.3%	86.2%		96.0%	95.9%	

9M 2008 Results by Country

IFRS (€mn)

	Non-Life		Life		Total		Profit before Tax		Combined Ratio	
	9M 2008	9M 2007	9M 2008	9M 2007	9M 2008	9M 2007	9M 2008	9M 2007	9M 2008	9M 2007
Austria	1,520.8	1,444.5	1,438.6	1,292.3	2,959.4	2,736.7	241.4	206.8	93.3%	94.5%
Czech Rep.	752.0	637.1	254.8	205.2	1,006.7	842.3	70.5	57.6	92.2%	95.5%
Slovakia	247.4	226.7	175.5	136.1	422.8	362.8	11.3	26.1	93.9%	90.4%
Poland	324.1	240.2	285.1	150.6	609.1	390.7	17.9	13.2	98.9%	99.6%
Romania	466.2	291.0	28.6	10.7	494.8	301.7	52.0	4.4	104.6%	100.1%
Other CEE	253.4	135.3	100.5	87.0	353.9	222.3	1.1	5.0	103.4%	107.6%
Hungary	32.1	31.1	47.0	39.6	79.0	70.7	2.5	2.6	100.5%	101.6%
Croatia	36.9	33.3	31.2	28.3	68.1	61.6	0.1	2.1	108.8%	112.1%
Serbia	25.3	19.2	14.6	13.7	40.0	32.9	-0.7	0.0	103.5%	110.8%
Bulgaria	68.4	51.7	6.7	5.4	75.1	57.1	-1.6	0.2	101.2%	106.8%
Ukraine	32.0	-	1.0	-	33.0	-	0.2	-	101.9%	-
Turkey	58.8	-	-	-	58.8	-	0.6	-	104.2%	-
Other	52.2	49.4	118.8	125.9	171.0	175.3	12.6	11.1	81.3%	86.2%
Liechtenstein	-	-	78.7	86.5	78.7	86.5	1.9	2.0	-	-
Germany	52.2	49.4	40.1	39.3	92.3	88.7	10.7	9.1	81.3%	86.2%
Total	3,616.0	3,024.2	2,401.8	2,007.6	6,017.8	5,031.8	406.8	324.2	96.0%	95.9%

Change in Group Shareholders' Equity

IFRS

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	1.1. - 30.09.2008	1.1. - 30.09.2007
Equity as of 1 January	2,615,563	2,283,208
Currency changes	39,237	1,302
Changes to consolidation	42,810	55,719
Capital Increase	1,343,078	-
Unrealised gains and losses on financial instruments available for sale	-149,545	-90,081
Profit for the period	328,953	262,724
Dividend payment	-119,050	-104,143
Equity as of 30 September	4,101,046	2,408,729

Life Insurance Premium Split

IFRS (€mn)

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Premiums written - direct business	9M 2008	9M 2007	+/- %
Regular premiums	1,356.7	1,343.8	1.0%
Single premiums	1,037.7	662.3	56.7%
Total premiums written - direct business	2,394.4	2,006.1	19.4%
thereof:			
Policies with profit participation	1,347.1	1,134.7	18.7%
Policies without profit participation	251.9	269.6	-6.6%
unit- and index-linked life insurance	795.4	601.8	32.2%
thereof:			
Individual insurance	2,045.7	1,774.2	15.3%
Group insurance	348.7	231.9	50.4%

Q3 2008 Income Statement

IFRS (€mn)

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	Q3 2008	Q3 2007	+/-%
1. Gross written premiums	1,802.7	1,538.7	17.2
2. Net earned premiums	1,697.8	1,391.2	22.0
3. Net investment income	187.5	189.9	-1.2
4. Other income	12.0	11.1	7.9
Total income	1,897.4	1,592.2	19.2
6. Expenses for claims incurred	-1,339.0	-1,146.8	16.8
7. Operating expenses	-391.6	-311.5	25.7
8. Other expenses	-48.4	-25.1	92.4
Total expenses	-1,778.9	-1,483.4	19.9
Profit before tax	118.4	108.8	8.8
Taxes	-18.4	-20.3	-9.7
Net profit before minorities (Profit for the year)	100.1	88.5	13.1
Minorities	-6.8	1.7	n.a.
Net profit after minorites	93.3	90.2	3.4

9M 2008 Exchange Rates

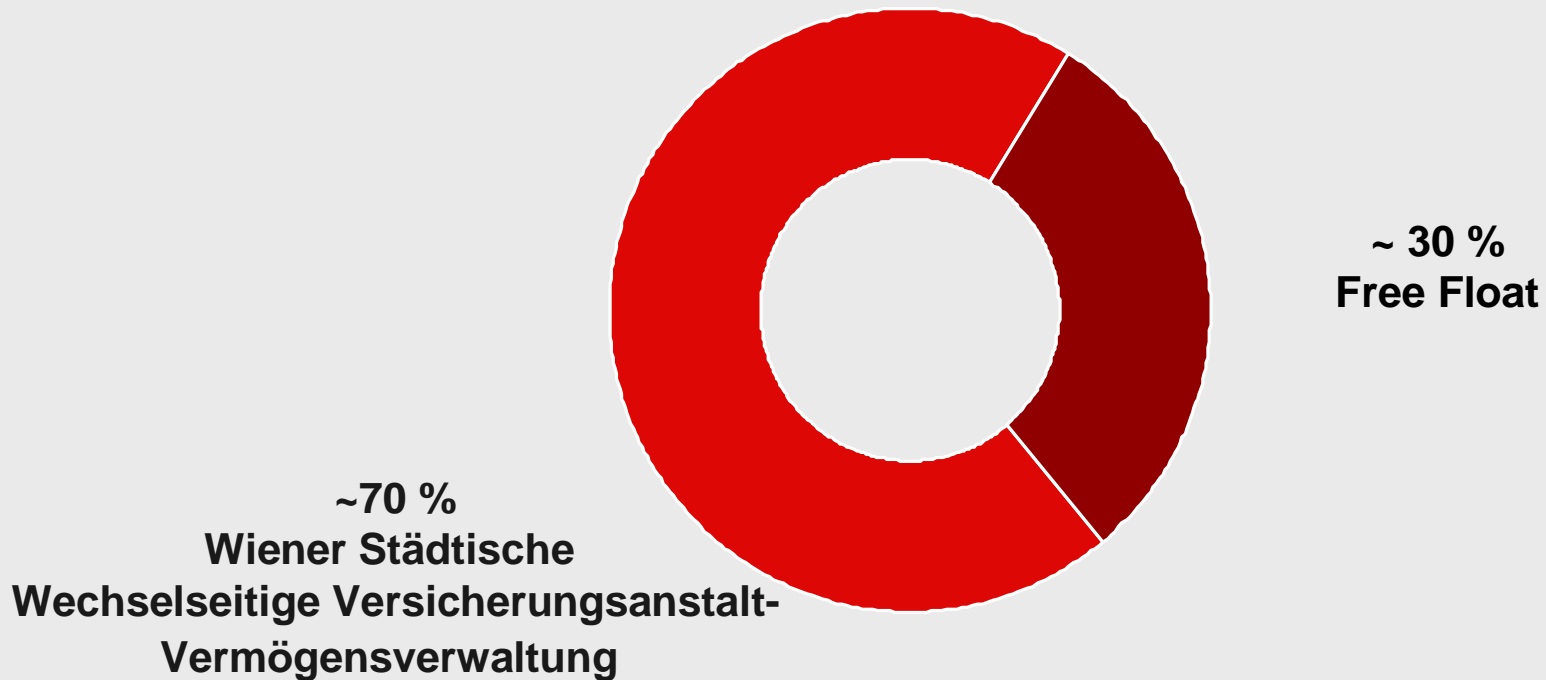
National currency unit per EUR

9M 2008				9M 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	7.1049	7.2401	7.2773	7.3407
Liechtenstein	EUR/CHF	1.5774	1.6082	1.6601	1.6370
Poland	EUR/PLN	3.3967	3.4275	3.7730	3.8257
Romania	EUR/RON	3.7413	3.6380	3.3441	3.2972
Serbia	EUR/CSD	76.5972	80.0137	78.8581	79.9808
Slovakia	EUR/SKK	30.3000	31.5657	33.8765	33.8926
Czech Republik	EUR/CZK	24.6600	24.8137	27.5323	28.0804
Hungary	EUR/HUF	242.8300	247.5620	250.6894	250.8781
Turkey	EUR/TRY	1.8136	1.8665		
Ukraine	EUR/UAH	6.9751	7.5359		

Shareholder Structure (I)

Total number of shares 128,000,000

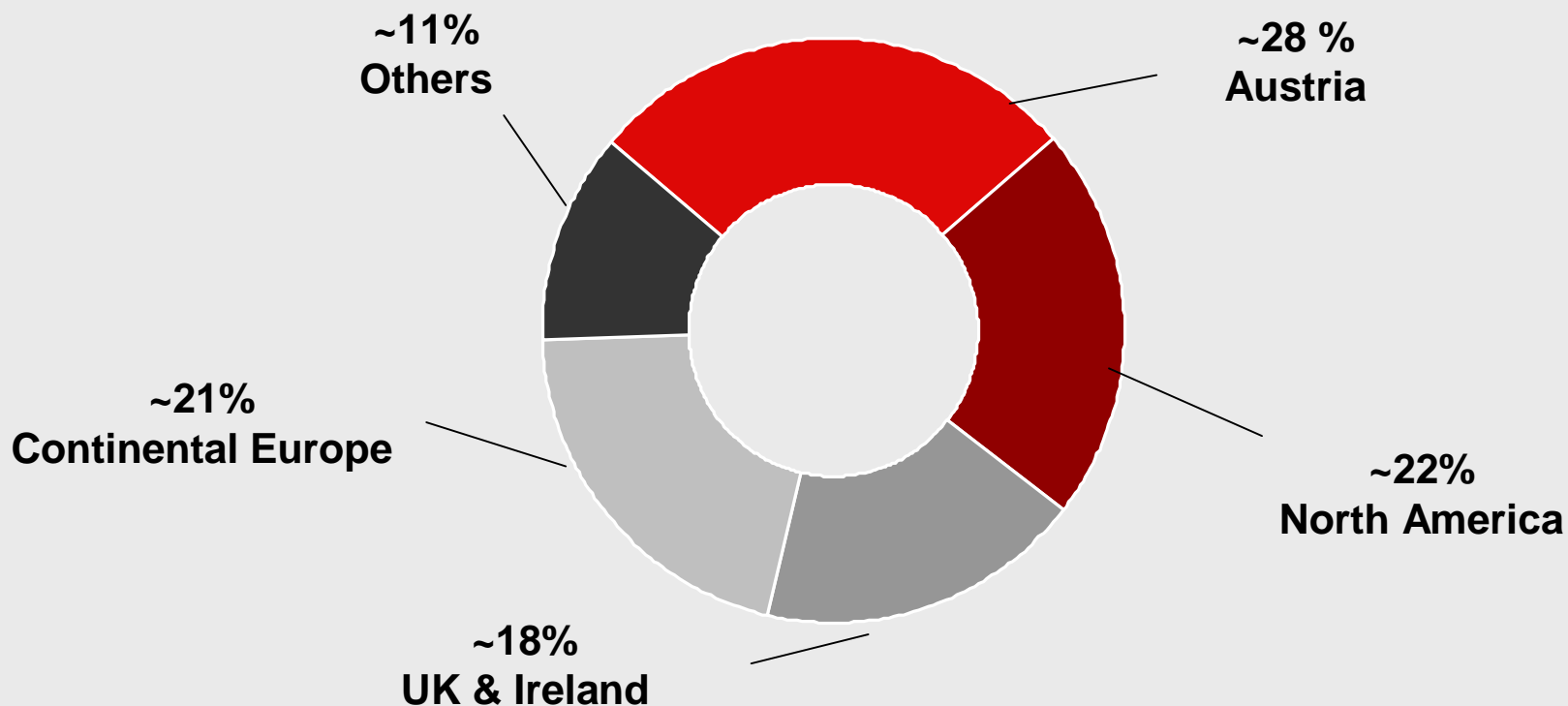
Shareholder Structure



Shareholder Structure (II)

Total number of shares 128,000,000

Free Float Geographical Split



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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