

INVESTOR INFORMATION

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Acquisition of companies strengthens operations of Wiener Städtische in Poland

Wiener Städtische will acquire the Polish Benefia non-life and life insurance companies. Austria's leading insurance group in Central and Eastern Europe thus further consolidates its market position in Poland in 2005.

Wiener Städtische will acquire 100% of the non-life insurance company **Benefia Towarzystwo Ubezpieczen Majatkowych S.A.**, founded in 1999, and of the life insurance company **Benefia Towarzystwo Ubezpieczen Zycie S.A.**, founded in 1992, from the Italian insurance group TORO Assicurazioni (sole owner).

In 2004, the two insurance companies with headquarters in Warsaw achieved a volume of gross premiums written in the total amount of PLN 128 million (about EUR 31 million). The focus of Benefia non-life insurance is on the motor insurance business.

Both companies are firmly positioned on the Polish insurance market, with a total of about 60 employees and a well developed nation-wide sales network throughout Poland.

The transactions were effected subject to the approval of the Austrian and Polish authorities.

"The acquisition of the two companies helps us strengthen our position in Poland and allows us to participate even more in the expected future dynamic growth of the Polish insurance market," says Günter Geyer, CEO of Wiener Städtische.

To date, Wiener Städtische Group was present in Poland with the steadily growing companies **Compensa non-life insurance** and **Compensa life insurance**, both headquartered in Warsaw. Wiener Städtische acquired in both companies – according to today's Ad Hoc News Release – the shares held by the German HUK-COBURG group. Wiener Städtische will thus own 99.86 percent of Compensa Non-Life and 100 percent of Compensa Life. The transactions have been effected subject to the approval of the cartel and regulatory authorities.

With growth rates clearly above market average, Compensa non-life insurance and Compensa life insurance achieved a total volume of premiums earned of approx. EUR 100 million, thus ranking tenth on the market.

With the acquisition of Benefia non-life insurance and Benefia life insurance, Wiener Städtische Group **moves up** to the **ninth place** from its excellent tenth position in Poland (as of 2004); in the non-life business the group can further consolidate its excellent seventh market position in Poland.

During the past five years, the Polish insurance market posted an annual growth of approx. 10 percent. In 2003, the insurance density (premium per capita per year) in Poland amounted to USD 162 as compared to USD 2,100 in Western Europe. Poland thus offers a high growth potential. Poland's economic boom with a 5.4 percent growth of the real gross domestic product is proof of this expectation.

Wiener Städtische is the leading Austrian insurance group in Central and Eastern Europe. In the international league table, Wiener Städtische ranks an excellent second in the region. Outside its Austrian heartland, the Group operates (through subsidiaries) in Belarus, Bulgaria, Croatia, the Czech Republic, Germany, Hungary, Liechtenstein, Poland, Romania, Serbia, Slovakia and Ukraine. Additionally, it has branch offices in Italy and Slovenia.

Aside from Wiener Städtische AG, the Group's insurance companies in Austria include Donau Versicherung, Bank Austria Creditanstalt Versicherung, Union Versicherung. The Group also has ownership interests in Wüstenrot Versicherung and Sparkassen Versicherung.

Wiener Städtische is among the market leaders in Austria, the Czech Republic and Slovakia. Eleven million customers in the Central and Eastern European markets put their trust in Wiener Städtische.

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