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Please note: this is a translation; only the German version of this release is legally binding.

Wiener Städtische Versicherung AG Vienna Insurance Group (Vienna Insurance Group) raises Embedded Value to about EUR 4.2 billion

The **group embedded value (after taxes)** for the Vienna Insurance Group was **EUR 4.19 billion** as of 31 December 2006, which marks a clear increase by **14.3 percent**, as compared to the previous year. Thus Vienna Insurance Group was able to achieve a **return on embedded value** of about **17 percent**.

71 percent of the total group embedded value of the Vienna Insurance Group of **EUR 4.19 billion** is attributable to the **Austrian and German insurance business**. While in 2005 the share contributed by the **companies in CEE** (Kooperativa in the Czech Republic, Kooperativa in Slovakia and Union Biztosító in Hungary) accounted for only approx. 23 percent, this share is as much as **29 percent** in 2006, thus showing the importance of the rapidly growing business of the Vienna Insurance Group in that region.

The value of the **new business written** in 2006, in the amount of **EUR 81.6 million**, rose by **9.1 percent** as compared to the previous year. This value represents the earnings power of the life and health insurance lines and is included in the group embedded value.

In addition to these two components, the Vienna Insurance Group also determines the value of **in-force business for parts of the Austrian P & C business** on the basis of the long-term relations with private customers who have taken out P & C contracts that are serviced via the important sales channel of the own employed sales force. On this basis, the **value of the enterprise would rise by EUR 577 million to approx. EUR 4.77 billion**.

The **European embedded value** was published for the first time by the Vienna Insurance Group for the year 2005. In doing so, the Vienna Insurance Group reflected the most recent developments in the valuation of businesses by the capital market. For 2006, the reference values from 2005 were adjusted as a consequence of the introduction of a new profit sharing arrangement in Austria.

The embedded value is the number showing the value of in-force insurance business and in accordance with international guidelines is made up of the net assets for life, health and P & C insurance as well as the current value of the combined future earnings from in-force business in the life and health lines.

Renowned consultants Deloitte & Touche LLP London have reviewed and fully confirmed the group embedded value of the Vienna Insurance Group.

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