

11 November 2008

Vienna Insurance Group Q3 growth shows no sign of slowing yet:

Excellent premium development continues: six billion euro mark surpassed

Czech Republic after three quarters for the first time posts over one billion euros in premiums

Particularly strong growth in Poland and Romania

Good outlook for 2008 continues

Dividend for 2008 remains unchanged

"Our Group companies in CEE prove to be the driving force behind our outstanding growth in premium income", CEO Günter Geyer comments on the fact that the positive development of the Vienna Insurance Group has been showing no sign of slowing down in the first nine months of the current year. "Organic growth was particularly strong in the Czech Republic, in Romania and in Poland and so far we have not detected any decline in the demand for insurance products in the CEE region. We therefore continue to be among the most dynamically growing insurance groups in Europe. The business cycle has not resulted in any serious impairment of turnover in this region in the third quarter either.

Depending on the development of the capital markets in the fourth quarter of 2008, the Group will be able to achieve the forecast Group profit (before taxes, consolidated) in the amount of approximately EUR 540 million.

Although we had a capital increase in May 2008 and the number of shares rose by 23 million, we will suggest to our competent corporate bodies to maintain a dividend of EUR 1.10 per share."

I. OVERVIEW OF KEY GROUP DATA FOR THE FIRST THREE QUARTERS OF 2008 (IFRS¹)

In the first three quarters of the current year, the **Vienna Insurance Group** was able to achieve a **total growth in premiums of 19.6 percent**. It thus continues to be among the fastest-growing insurance groups in Europe. **Consolidated premiums written** (excluding other insurance participations) totalled **EUR 6.02 billion**.

¹ The Group figures for the Vienna Insurance Group do not include the acquired insurance companies of the Erste Group in CEE.

The Vienna Insurance Group thus for the first time surpassed the **six billion euro premium mark** on the Group level after three quarters.

(The premium income of Bank Austria Creditanstalt Versicherung and Unita has been included only up to deconsolidation, i.e. 30 June 2008, and the premium income of Sparkassen Versicherung in Austria only as from 1 July 2008. Furthermore, the premium income of s Versicherung Group in the individual CEE countries and of the BCR insurances in Romania are not included.)

The year-on-year increase in **Group profit** (before taxes, consolidated) was even more pronounced, rising by a remarkable **25.5 percent** to a total of **EUR 406.78 million**.

At 96 percent, the **combined ratio of the Group after reinsurance** (not considering investment income) continues to remain clearly below the 100 percent mark.

Financial results (before allocation to the mathematical reserve in life insurance) in the first three quarters of the current year amounted to **EUR 806.24 million**, a gain of **8.5 percent** compared with the same period in 2007.

As of 30 September 2008, **investment volume of the Group** amounted to **EUR 24.22 billion**. This corresponds to a **20.1 percent** increase compared to 31 December 2007.

II. DATA FOR THE GROUP FOR QUARTERS 1 – 3/2008, CLASSED BY SEGMENTS (consolidated)

Property/casualty insurance

In the property/casualty segment, the Group was able to generate a total of **EUR 3.38 billion in premiums written** in the first three quarters of 2008. This is an outstanding gain of **21.0 percent** compared to the same period of the prior year.

The premium volume achieved in this segment in the **CEE markets** even rose by **33.5 percent**, to **EUR 2.04 billion**. The share of total property and casualty premiums contributed by Group companies in the CEE region is approaching the **two thirds mark (60.5 percent)**.

In the **non-CEE countries**, **premiums** in this segment totalled **EUR 1.34 billion** (up **5.8 percent**). In Austria, Group companies generated premiums of **EUR 1.28 billion**, representing a **5.8 percent** growth. In the Other Markets (Germany), premiums written rose **5.6 percent** to **EUR 52.19 million**.

Life insurance

In the life insurance segment, the premium volume of the **Vienna Insurance Group** totalled **EUR 2.40 billion**, translating to a remarkable **19.6 percent** increase over the prior-year period. As from 1 July 2008, this also includes the Austrian insurance company Sparkassen Versicherung.

The standout premium volume in this segment was achieved by the Group companies of the **Vienna Insurance Group** in the **CEE region**. The first three quarters of 2008 saw a **43.2 percent** growth – with premiums written amounting to **EUR 844.35 million**. The share of premiums in this segment accounted for by the Group companies in the CEE region now equals approximately **35 percent**, with the upward trend thus continuing. These figures do not yet include those of s Versicherung Group in the CEE region.

In the **non-CEE countries**, **premiums written** in the life insurance segment came in at **EUR 1.56 billion**. This corresponds to an increase of **9.8 percent**. **Austria** generated **EUR 1.44 billion** of this amount (up **11.3 percent**), with the **Other Markets** contributing **EUR 118.80 million**.

Health insurance

In the health insurance segment, the **Vienna Insurance Group** recorded premiums written of **EUR 236.57 million**, an increase of **2.4 percent**. As one of the leading health insurers, Wiener Städtische Versicherung AG in Austria is the only Group company selling a sizeable volume of health insurance products.

III. DATA FOR THE GROUP FOR QUARTERS 1 – 3/2008, CLASSED BY REGIONS (consolidated)

In the first three quarters of the current year, **premiums written** in the **CEE region** amounted to **EUR 2.89 billion**. This corresponds to an increase of **36.2 percent** over 2007.

In the **non-CEE countries** (Austria, Germany, Liechtenstein), the Group companies generated premiums of **EUR 3.13 billion** in the first nine months of 2008, which translates to a growth rate of **7.5 percent**.

Austria

Premiums written by the Vienna Insurance Group in the first three quarters of 2008 amounted to **EUR 2.96 billion** (up **8.1 percent** incl. health insurance). The Austrian insurance company Sparkassen Versicherung was first included in the consolidation in the third quarter.

Premiums written in **casualty/property** came in at **EUR 1.28 billion**. This represents a gain of **5.8 percent**.

In the **life** segment, premiums amounted to **EUR 1.44 billion** (up **11.3 percent**).

Profit (before taxes) increased by **16.7 percent** over the first nine months of 2007, to **EUR 241.41 million**.

Czech Republic

In total, the Group companies in the Czech Republic again achieved double-digit **premium growth** of an excellent **19.5 percent** in the first nine months of the current year, surpassing the **one billion euro mark** for the first time after three quarters (total premiums written: **EUR 1.01 billion**).

Premiums written in the **non-life** segment came in at **EUR 751.96 million**, which represents a year-on-year growth of **18.0 percent**. In the **life** segment, **premiums written** were even increased by **24.2 percent** to **EUR 254.78 million**.

Profit (before taxes) rose by **22.3 percent** to **EUR 70.49 million**.

Slovakia

The Group companies in Slovakia also recorded an outstanding premium development in the first three quarters of 2008. They achieved a total of **EUR 422.82 million in premiums written**, growing a magnificent **16.5 percent** compared to the prior-year period. In the **non-life** segment, the premium volume amounted to **EUR 247.36 million (up 9.1 percent)**, while a premium volume of **EUR 175.46 million**, and thus a growth rate of **29.0 percent**, was achieved in the **life** segment.

Profit (before taxes) amounted to **EUR 11.27 million**. This result was affected mainly by the establishment, required by law, of a special provision for old claims in connection with the former state-owned monopolist insurance provider.

Poland

In the first nine months of 2008, the Polish Group companies generated **premiums written** in the amount of **EUR 609.14 million**, gaining an excellent **55.9 percent**. Both in the non-life and in the life segments, premiums grew at excellent rates. The premium volume rose by **34.9 percent** to **EUR 324.08 million** in the **non-life** segment and by **89.3 percent** to **EUR 285.06 million** in the **life** segment.

At **EUR 17.93 million**, and an increase of **35.7 percent**, **profit (before taxes)** continues to develop very positively in the first nine months of the current year.

Romania

The Romanian Group companies of the Vienna Insurance Group (OMNIASIG S.A. Vienna Insurance Group, OMNIASIG Asigurari de Viata S.A. Vienna Insurance Group and ASIROM S.A. Vienna Insurance Group; Unita until 30 June 2008) achieved **premiums written** in the amount of **EUR 494.80 million** in the first nine months of the current year, or an increase of **64.0 percent** over the prior-year period. In the **non-life** segment, premiums written amounted to **EUR 466.23 million (up 60.2 percent)**, while premiums rose by **167.5 percent** to **EUR 28.57 million** in the **life** segment.

Profit (before taxes) rose to **EUR 51.96 million**, also due to the sale of the Unita insurance company.

Other CEE markets

Group companies in the following countries are included in the results of the Vienna Insurance Group in the Other CEE markets achieved in the first nine months of 2008: **Bulgaria, Croatia, Serbia, Turkey, Ukraine and Hungary**.

In these countries, **premiums written** in the first nine months of 2008 came in at **EUR 353.88 million**. This corresponds to an increase of **59.2 percent** over the same period of the prior year.

In the **non-life** segment, the Group companies in these countries generated a premium volume of **EUR 253.40 million**, or a remarkable **87.2 percent** increase.

In the **life** segment, premiums written in the amount of **EUR 100.47 million**, or a **15.5 percent** growth rate, were recorded.

Profit (before taxes) in the first nine months of the current year amounted to **EUR 1.14 million**.

Other Markets

Group companies in **Germany and Liechtenstein** generated premiums totalling **EUR 170.99 million** in the first three quarters of 2008.

Profit (before taxes) amounted to **EUR 12.59 million** (up **13.5 percent**).

IV. OUTLOOK

Depending on the development of the capital markets in the fourth quarter of 2008, the Group will be able to achieve the forecast Group profit (before taxes, consolidated) in the amount of approximately EUR 540 million.

As regards the international capital markets, almost all forecasts of financial results have proved wrong so far. Therefore, the Vienna Insurance Group will fix its targets for 2009 to 2011 only after observing the further development. In any case, the managing board of the Vienna Insurance Group in 2009 will seek to at least repeat and - depending on the capital market development - outperform the expected very good result for 2008.

Based on its knowledge of its CEE markets, the Vienna Insurance Group assumes that the premium growth it will be able to achieve in this region in the next few years will again be clearly above that of Western Europe on account of insurance markets in the CEE region being not yet as saturated as those in Western Europe.

The listed Vienna Insurance Group is one of the leading insurance groups in CEE headquartered in Vienna. Outside of its home base in Austria, Vienna Insurance Group is also active, through subsidiaries and insurance holdings, in Albania, Bulgaria, Germany, Estonia, Georgia, Croatia, Latvia, Liechtenstein, Lithuania, Macedonia, Poland, Romania, Russia, Serbia, Slovakia, the Czech Republic, Turkey, Hungary, Ukraine and Belarus. It also has branches in Italy and Slovenia.

On the Austrian market, the group positions itself with Wiener Städtische Versicherung, Donau Versicherung and Sparkassen Versicherung. Furthermore, it has a minority holding in Wüstenrot Versicherung.

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

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Consolidated Balance Sheet (IFRS) 30 September 2008

Assets (in TEUR)	30/09/2008	31/12/2007	+/- %
A. Intangible assets	1,222,110	524,505	>100
B. Investments	24,221,402	20,171,389	20.1
C. Investments of unit- and index-linked life insurance	3,566,678	3,065,985	16.3
D. Reinsurers' share in underwriting provisions	1,154,421	1,186,664	-2.7
E. Receivables	1,769,277	1,200,283	47.4
F. Deferred tax assets	112,056	33,861	>100
G. Other assets	246,448	284,686	-13.4
H. Cash and cash equivalents	781,180	277,700	>100
Total Assets	33,073,572	26,745,073	23.7

Liabilities and Shareholders' Equity (in TEUR)	30/09/2008	31/12/2007	+/- %
A. Shareholders' equity	4,101,046	2,615,563	56.8
B. Subordinated liabilities	501,812	442,910	13.3
C. Underwriting provisions	21,413,474	17,092,129	25.3
D. Unit- and index-linked underwriting provisions	3,311,413	2,948,522	12.3
E. Non-underwriting provisions	742,338	794,802	-6.6
F. Liabilities	2,768,690	2,688,674	3.0
G. Deferred tax liabilities	152,548	80,765	88.9
H. Other liabilities	82,251	81,708	0.7
Total Liabilities and Shareholders' Equity	33,073,572	26,745,073	23.7

Consolidated Income Statement (IFRS) 1 Jan. 2008 - 30 Sept. 2008

(in EUR mn)	9M 2008	9M 2007	+/- %
<i>Gross written premiums</i>	<i>6,017.80</i>	<i>5,031.82</i>	<i>19.6</i>
Net earned premiums	5,169.08	4,220.31	22.5
Net investment income	806.24	743.08	8.5
Other income	42.70	31.80	34.3
Claims and insurance benefits	-4,251.35	-3,567.43	19.2
Operating expenses	-1,191.47	-988.86	20.5
Other expenses	-168.42	-114.68	46.9
Profit before taxes	406.78	324.21	25.5
Tax expense	-77.82	-61.49	26.6
Profit for the period	328.95	262.72	25.2
Minority interests	-27.95	-11.92	>100
Net profit after minorities	301.00	250.81	20.0

Combined Ratio (net)	96.0%	95.9%
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Consolidated Income Statement (IFRS) - Quarterly Data

(in EUR mn)	Q3 2008	Q3 2007	+/- %
<i>Gross written premiums</i>	<i>1,802.66</i>	<i>1,538.68</i>	<i>17.2</i>
Net earned premiums	1,697.78	1,391.20	22.0
Net investment income	187.55	189.89	-1.2
Other income	12.03	11.15	7.9
Claims and insurance benefits	-1,339.00	-1,146.84	16.8
Operating expenses	-391.57	-311.45	25.7
Other expenses	-48.36	-25.13	92.4
Profit before taxes	118.43	108.81	8.8
Tax expense	-18.36	-20.34	-9.7
Profit for the period	100.07	88.47	13.1
Minority interests	-6.81	1.71	n.a.
Net profit after minorities	93.26	90.18	3.4

Combined Ratio (net)	96.1%	95.8%
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Segment Reporting 1 Jan. 2008 - 30 Sept. 2008

Split by Business Segments:

(in EUR mn)	P&C		Life		Health		Total	
	9M 2008	9M 2007	9M 2008	9M 2007	9M 2008	9M 2007	9M 2008	9M 2007
<i>Gross written premiums</i>	3,379.45	2,793.10	2,401.78	2,007.60	236.57	231.12	6,017.80	5,031.82
A. Net earned premiums	2,545.43	1,997.47	2,389.42	1,993.93	234.23	228.90	5,169.08	4,220.31
B. Net investment income	233.97	132.72	564.25	598.81	8.02	11.55	806.24	743.08
C. Other income	28.09	19.18	14.57	12.61	0.04	0.00	42.70	31.80
D. Claims and insurance benefits	-1,633.73	-1,306.66	-2,410.45	-2,064.89	-207.18	-195.87	-4,251.35	-3,567.43
E. Operating expenses	-725.28	-552.09	-435.19	-406.69	-31.00	-30.09	-1,191.47	-988.86
F. Other expenses	-126.49	-81.28	-41.23	-31.37	-0.70	-2.04	-168.42	-114.68
G. Profit before taxes	321.99	209.35	81.37	102.41	3.42	12.45	406.78	324.21

Split by Regions:

(in EUR mn)	Austria		Czech Republic		Slovakia		Poland	
	9M 2008	9M 2007	9M 2008	9M 2007	9M 2008	9M 2007	9M 2008	9M 2007
<i>Gross written premiums</i>	2,959.43	2,736.72	1,006.74	842.27	422.82	362.79	609.14	390.73
A. Net earned premiums	2,582.45	2,374.95	815.06	665.40	358.14	288.65	564.68	337.28
B. Net investment income	648.32	631.74	36.76	35.67	10.73	17.37	8.31	18.49
C. Other income	7.69	7.28	9.57	8.69	2.85	1.61	4.96	2.23
D. Claims and insurance benefits	-2,472.83	-2,331.68	-547.82	-462.40	-262.24	-199.53	-358.66	-181.33
E. Operating expenses	-488.48	-448.60	-202.42	-159.59	-64.80	-59.05	-184.19	-153.13
F. Other expenses	-35.75	-26.90	-40.66	-30.12	-33.42	-22.93	-17.17	-10.33
G. Profit before taxes	241.41	206.80	70.49	57.65	11.27	26.10	17.93	13.21

(in EUR mn)	Romania		Other CEE		Other		Total	
	9M 2008	9M 2007	9M 2008	9M 2007	9M 2008	9M 2007	9M 2008	9M 2007
<i>Gross written premiums</i>	494.80	301.73	353.88	222.32	170.99	175.26	6,017.80	5,031.82
A. Net earned premiums	423.32	221.08	277.89	178.86	147.54	154.10	5,169.08	4,220.31
B. Net investment income	83.49	6.58	7.48	17.92	11.14	15.32	806.24	743.08
C. Other income	11.15	4.64	4.22	4.14	2.26	3.22	42.70	31.80
D. Claims and insurance benefits	-320.12	-138.03	-175.25	-125.86	-114.44	-128.61	-4,251.35	-3,567.43
E. Operating expenses	-132.91	-83.50	-101.47	-64.90	-17.20	-20.10	-1,191.47	-988.86
F. Other expenses	-12.97	-6.37	-11.73	-5.20	-16.72	-12.84	-168.42	-114.68
G. Profit before taxes	51.96	4.41	1.14	4.96	12.59	11.09	406.78	324.21