

20 May 2008

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

Vienna Insurance Group in first quarter of 2008 according to IFRS*:

Growth continues:

Profit (before taxes) increases by approx. 24 percent to approx. EUR 125 million

Group premiums increase by approx. 15 percent to approx. EUR 2.3 billion

Already more than EUR 1 billion in premiums from CEE in first quarter

Poland and Romania double profits

"We have seen a strong premium development in all our core markets, and are continuing on a growth path", comments CEO Günter Geyer on the positive developments at Vienna Insurance Group during the first quarter of the current year. "Already in the first quarter one billion in premiums originated from the Central and Eastern European region. This confirms our commitment to the CEE region, as we have already witnessed considerable growth rates in the life segment in these countries. Almost a third of total life premiums for the Vienna Insurance Group is now coming from this region."

I. OVERVIEW OF KEY GROUP DATA FOR THE 1st QUARTER OF 2008*

In the first quarter of 2008, **Vienna Insurance Group** achieved a growth of **14.5 percent** compared to the previous year, with **consolidated premiums written** (without other insurance participation) at a total of **EUR 2.31 billion**.

Group profit (before taxes, consolidated) grew by a significant **23.9 percent** to a total of **EUR 124.85 million**. This corresponds to an increase of **EUR 24.12 million**.

* Recently purchased companies are not included in the Group premiums for Vienna Insurance Group.

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The **combined ratio of the Group after reinsurance** (without taking into account investment income) also decreased in comparison to the previous year. It currently stands at **95.5 percent** for the 1st quarter (1st quarter 2007: 96.4 percent), despite the damage incurred by the storms “Paula” and “Emma”.

With regard to the situation on the capital markets the **financial results** decreased to an amount of **EUR 175.58 million** (minus 14.5 percent) in the first quarter of 2008. This was more than made up for by the sound technical result and led to the outstanding **increase in Group profit** (before taxes) of approximately 24 percent.

On 31 March 2008 the **investment volume of the Group** was maintained at **approximately EUR 20 billion**.

II. GROUP DATA CLASSED BY SEGMENTS, 1st QUARTER 2008 (consolidated)

During the first three months of the current year, Vienna Insurance Group was able to achieve double-digit growth rates in both the property/casualty and life segments.

1. BUSINESS SEGMENTS RESULTS

Property/casualty insurance

Total **written premiums** generated in this sector amounted to **EUR 1.38 billion**, representing an increase of **16.6 percent**.

In **CEE markets**, Group companies even achieved growth rates of **33.2 percent** in this segment, with **premiums written** of **EUR 761.17 million**. As a result, the contribution of CEE Group companies to overall premiums in the property/casualty insurance segment is already at **55.1 percent**, representing a growth of approximately 7 percentage points compared to the previous year.

Premiums in this segment for **non-CEE markets** were at **EUR 621.41 million** (increase of **1.2 percent**). In **Austria**, Group companies generated premiums of **EUR 602.10 million** at a growth rate of **1.1 percent**. In the remaining markets (Germany), premiums written increased by **6.1 percent** to a total of **EUR 19.31 million**.

Life insurance

In the life insurance segment, **Vienna Insurance Group** achieved overall premiums written of **EUR 846.99 million** and therefore increased the premium volumes in this segment by **12.5 percent**, as compared to the previous year.

The Group companies of the Vienna Insurance group in the CEE region have already witnessed the effects of the boom in the life segment. As a result, CEE Group companies were able to achieve growth rates of **43.8 percent** compared to the previous year, with a premium volume of **EUR 259.00 million**.

This means that the CEE Group companies' share in the premiums for this segment is just **over 30 percent**, following a level of 24 percent in the same period last year.

For **non-CEE countries** **premiums written** in the life segment amounted to **EUR 587.98 million**, which corresponds to a growth of **2.6 percent**. Of these, **Austria** generated **EUR 532.03 million** (increase of 2.2 percent), whereby **EUR 55.96 million** (increase of 6.8 percent) were generated by the **other markets**.

Health insurance

In the health insurance segment, the **Vienna Insurance Group** registered premiums written of **EUR 81.68 million**, an increase of **2.2 percent**. As one of the leading health insurers, Wiener Städtische Versicherung AG Vienna Insurance Group is the only Group company selling sizeable volumes of health insurance products in Austria.

2. GEOGRAPHIC RESULTS

The **premiums written in the CEE region** amounted to **EUR 1.02 billion** in the first three months of 2008, exceeding the previous year's value by **35.7 percent**.

In **non-CEE** countries (Austria, Germany, Liechtenstein), Group companies generated premiums of **EUR 1.29 billion** for the first quarter of 2008, which represents a growth of **1.9 percent**.

Austria

In Austria, Vienna Insurance Group premiums for the first quarter of 2008 amounted to **EUR 1.22 billion** (increase of **1.6 percent**).

Profit (before taxes) increased by **21.7 percent** to **EUR 76.05 million** compared to the first three months of 2007.

Czech Republic

In the first quarter of 2008, Group companies in the Czech Republic increased their premium volume by an excellent **15.1 percent** to a total of **EUR 359.67 million**.

Premiums written in the **non-life segment** amounted to **EUR 275.80 million**. This represents a growth of **12.6 percent** in this segment as compared to the previous year's period. In the life segment, an increase of **24.0 percent** was achieved compared to the first three months of 2007 with **premiums written** in the amount of **EUR 83.87 million**.

Profit (before taxes) were at **EUR 20.55 million** (an increase of **12.1 percent**).

Slovakia

In the first quarter of 2008, Group companies in Slovakia achieved **premiums written** of **EUR 161.31 million**, and thus a growth of **14.1 percent** compared to the previous year's period. In the **non-life segment**, premiums were at **EUR 105.19 million** (increase of **3.1 percent**). With a premium volume of **EUR 56.12 million**, the **life segment** grew by **42.6 percent**.

Profit (before taxes) increased by **8.0 percent** to a total of **EUR 10.77 million**.

Poland

In the first quarter of 2008, Polish Group companies generated **premiums written** of **EUR 174.04 million**, which corresponds to a growth of **43.3 percent**. With premium volumes of **EUR 99.67 million**, the **non-life segment** grew by **29.5 percent**. In the **life insurance** segment Group companies achieved growth rates of **67.3 percent** with premiums of **EUR 74.37 million**.

Profit (before taxes), for the first three months of the current year, amounted to **EUR 7.34 million**, which represents an increase of **104.8 percent**.

Romania

In the first three months of the current year, the Group companies of the Vienna Insurance Group (including Asirom for the first time) achieved **premium volumes** of **EUR 200.86 million** and hence an increase of **89.1 percent** compared to the previous year's period. In the **non-life segment**, premiums written amounted to **EUR 189.45 million (increase of 84.8 percent)**, while premiums in the amount of **EUR 11.41 million**, and hence an **increase of 206.1 percent**, were achieved in the **life segment**.

Profit (before taxes) increased by **102,9 percent** to **EUR 2.70 million**.

Other CEE

The result in the first quarter of 2008 for the Group companies of the Vienna Insurance Group for the 'other CEE' area includes the following countries: **Bulgaria, Croatia, Serbia, Turkey, Ukraine and Hungary**.

Premiums written from these countries increased by **77.7 percent** to **EUR 124.29 million** in the first three months of the current year.

The **non-life segment** noted an increase of just over **100 percent**, with premiums written of **EUR 91.07 million**.

Overall premiums written in the **life segment** amounted to **EUR 33.22 million**, corresponding to an increase of **33.1 percent**.

Profit (before taxes) for the first three months of the current year amounted to **EUR 2.66 million**, which represents an increase of almost **50 percent**.

Other markets

In the first quarter of 2008, Group companies in **Germany and Liechtenstein** generated total **premiums** of **EUR 75.26 million (increase of 6.6 percent)**.

Profit (before taxes) were at **EUR 4.77 million (an increase of 45.7 percent)**.

The 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.

In the Austrian market, the group is represented through Wiener Städtische Versicherung AG Vienna Insurance Group, Donau Versicherung, Sparkassen Versicherung* and Bank Austria Creditanstalt Versicherung. Furthermore, it has a minority holding in Wüstenrot Versicherung.

*subject to approval by the authorities

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All news releases are also available at www.viennainsurancegroup.com/ir > IR News.

Consolidated Balance Sheet (IFRS) 31 March 2008

Assets (in TEUR)	31/03/2008	31/12/2007	+/- %
A. Intangible assets	864,981	524,505	64.9
B. Investments	20,099,337	20,171,389	-0.4
C. Investments of unit- and index-linked life insurance	2,942,791	3,065,985	-4.0
D. Reinsurers' share in underwriting provisions	1,364,252	1,186,664	15.0
E. Receivables	1,605,304	1,200,283	33.7
F. Deferred tax assets	48,252	33,861	42.5
G. Other assets	289,411	284,686	1.7
H. Cash and cash equivalents	273,483	277,700	-1.5
Total Assets	27,487,811	26,745,073	2.8

Liabilities and Shareholders' Equity (in TEUR)	31/03/2008	31/12/2007	+/- %
A. Shareholders' equity	2,678,744	2,615,563	2.4
B. Subordinated liabilities	443,426	442,910	0.1
C. Underwriting provisions	17,950,699	17,092,129	5.0
D. Unit- and index-linked underwriting provisions	2,870,192	2,948,522	-2.7
E. Non-underwriting provisions	712,995	794,802	-10.3
F. Liabilities	2,672,231	2,688,674	-0.6
G. Deferred tax liabilities	79,839	80,765	-1.1
H. Other liabilities	79,685	81,708	-2.5
Total Liabilities and Shareholders' Equity	27,487,811	26,745,073	2.8

Consolidated Income Statement (IFRS) 1 Jan. 2008 - 31 Mar. 2008

(in EUR mn)	3M 2008	3M 2007	+/- %
<i>Gross premiums written</i>	2,311.25	2,018.37	14.5
A. Net earned premiums	1,736.81	1,464.35	18.6
B. Net investment income	159.11	204.38	-22.2
C. Other income	17.46	8.87	96.8
D. Claims and insurance benefits	-1,359.11	-1,184.75	14.7
E. Operating expenses	-391.59	-347.66	12.6
F. Other expenses	-54.30	-45.40	19.6
Result from shares in affiliated and associated companies	16.47	0.94	>100.0
Profit before taxes	124.85	100.73	23.9
Tax expense	-25.98	-18.56	40.0
Profit for the period	98.87	82.18	20.3
Minority interests	-7.46	-6.20	20.3
Net profit after minorities	91.41	75.98	20.3

Combined Ratio	95.5%	96.4%
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Segment Reporting 1 Jan. 2008 - 31 Mar. 2008

Split by Business Segments:

(in EUR mn)	P&C		Life		Health		Total	
	3M 2008	3M 2007	3M 2008	3M 2007	3M 2008	3M 2007	3M 2008	3M 2007
<i>Gross written premiums</i>	1,382.58	1,185.28	846.99	753.17	81.68	79.93	2,311.25	2,018.37
A. Net earned premiums	841.94	667.35	816.82	720.58	78.05	76.42	1,736.81	1,464.35
B. Net investment income ¹	23.80	33.08	154.80	168.09	-3.02	4.16	175.58	205.32
C. Other income	7.68	4.45	9.78	4.42	0.00	0.00	17.46	8.87
D. Claims and insurance benefits	-538.37	-422.64	-758.37	-699.03	-62.38	-63.07	-1,359.11	-1,184.75
E. Operating expenses	-235.29	-195.13	-145.35	-141.74	-10.95	-10.79	-391.59	-347.66
F. Other expenses	-38.58	-30.63	-15.43	-14.54	-0.29	-0.23	-54.30	-45.40
G. Profit before taxes	61.18	56.48	62.25	37.77	1.41	6.48	124.85	100.73

Split by Regions:

(in EUR mn)	Austria		Czech Republic		Slovakia		Poland	
	3M 2008	3M 2007	3M 2008	3M 2007	3M 2008	3M 2007	3M 2008	3M 2007
<i>Gross written premiums</i>	1,215.81	1,196.26	359.67	312.59	161.31	141.35	174.04	121.41
A. Net earned premiums	895.65	869.65	268.35	219.66	122.65	93.89	157.45	104.27
B. Net investment income ¹	148.06	167.15	6.38	12.57	4.76	5.83	2.60	5.41
C. Other income	4.78	1.45	3.32	3.01	0.71	0.53	4.09	0.96
D. Claims and insurance benefits	-808.78	-800.13	-183.43	-155.91	-80.83	-55.82	-82.66	-50.01
E. Operating expenses	-152.20	-163.28	-60.34	-50.05	-25.72	-22.64	-69.39	-54.23
F. Other expenses	-11.46	-12.36	-13.72	-10.93	-10.81	-11.82	-4.75	-2.81
G. Profit before taxes	76.05	62.49	20.55	18.34	10.77	9.97	7.34	3.59

(in EUR mn)	Romania		Other CEE		Other		Total	
	3M 2008	3M 2007	3M 2008	3M 2007	3M 2008	3M 2007	3M 2008	3M 2007
<i>Gross written premiums</i>	200.86	106.23	124.29	69.95	75.26	70.58	2,311.25	2,018.37
A. Net earned premiums	136.44	62.75	90.52	52.13	65.75	62.00	1,736.81	1,464.35
B. Net investment income ¹	6.22	2.74	4.11	7.43	3.45	4.18	175.58	205.32
C. Other income	0.72	0.21	3.15	1.41	0.70	1.31	17.46	8.87
D. Claims and insurance benefits	-92.04	-32.84	-59.44	-36.97	-51.92	-53.07	-1,359.11	-1,184.75
E. Operating expenses	-45.75	-30.64	-31.62	-20.13	-6.59	-6.69	-391.59	-347.66
F. Other expenses	-2.88	-0.89	-4.07	-2.15	-6.61	-4.45	-54.30	-45.40
G. Profit before taxes	2.70	1.33	2.66	1.73	4.77	3.28	124.85	100.73

¹ including result from associated and affiliated companies