

27 March 2008

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

Vienna Insurance Group in 2007, in accordance with IFRS* :

Excellent result for 2007

Profits (before taxes) of more than EUR 437 million (plus 36.2 percent)

Group premiums increase by more than EUR 1 billion to approximately EUR 6.9 billion

CEE contribution to Group premiums approximately 43 percent

CEE contribution to property/casualty insurance at remarkable approximately 60 percent

CEE contribution in life insurance increases to approximately 30 percent

Vienna Insurance Group sets itself new targets:

Profit target 2011: considerably over EUR 1 billion

More than EUR 12 billion in Group premiums for 2011

"We are proud to announce that we have again surpassed the goals which we set for ourselves and envisaged to our shareholders. The expansion of our Group continues, and the contribution of CEE companies to the overall results of the Vienna Insurance Group is growing every year", comments CEO Günter Geyer on the very positive growth rates for the Vienna Insurance Group in 2007. "We have increased the Group's premium volume by more than EUR 1 billion, and pre-tax profits increased by an impressive 36 percent. These numbers confirm the overall performance of our Group

* The most recently acquired companies are not included in the Group premiums for the Vienna Insurance Group.

companies – a performance which is based on both our own organic growth, resulting from the excellent work done in the market by the companies that have been integrated into the Group for some time, and also on our targeted acquisitions.. Our multibrand strategy, together with carefully selected and varied sales and distribution channels, provides the foundation for continuing to achieve our goals in the future. In this way we are taking advantage of the opportunities in a new Europe and will continue on this path."

I. OVERVIEW OF KEY GROUP DATA FOR THE FINANCIAL YEAR 2007*

Compared to the previous year, in 2007 the **Vienna Insurance Group** achieved growth of **17.5 percent** in **consolidated premiums written** (without other insurance participations), amounting to a total of **EUR 6.91 billion**.

Group profits (before taxes, consolidated) grew by an impressive **36.2 percent** compared to the previous year, to a total of **EUR 437.30 million**. This is an increase of approximately **EUR 116.33 million**.

The positive business development makes possible an **increase in the dividend** from **82 cents to EUR 1.10 per share**, as will be recommended to the competent corporate bodies. This represents a significant increase of just over **34 percent** compared to the previous year's dividend.

The Group's combined ratio after reinsurance (not considering investment income) of 95.5 percent was again an improvement on the previous year. Despite the storm damage suffered last year the figure was well below the 100 percent mark.

Compared to 2006, the financial result increased by almost **40 percent to EUR 1.00 billion**. This increase, attained despite the turbulence that hit equity markets during the second half of 2007, underlines the Vienna Insurance Group's the long-term sustainable conservative investment policy.

Total Group investments amounted to **EUR 23.24 billion** on 31st December 2007, which represents growth of **18.6 percent** compared to year end 2006.

II. 2007 GROUP DATA CLASSIFIED BY SEGMENTS (consolidated)

Overall, the Vienna Insurance Group generated **Group income in terms of premiums written of EUR 6.91 billion**, representing a growth of **17.5 percent** compared to the previous year. **Written premiums for the CEE region** amounted to **EUR 2.97 billion** for 2007, an excellent growth of **34.4 percent** compared to 2006.

In **non-CEE** countries (Austria, Germany, Liechtenstein) the Group companies generated premiums of **EUR 3.95 billion** for 2007, resulting in a growth rate of **7.4 percent**. Of these, **EUR 3.70 billion** (an increase of **7.6 percent**) were generated by the Vienna Insurance Group in Austria.

1. BUSINESS SEGMENT RESULTS

Property/casualty insurance

Total premiums written generated in this segment amounted to **EUR 3.67 billion**, an increase of **19.7 percent**.

In **CEE markets** Group companies achieved even higher growth at **32.9 percent** in this segment, with written premiums of **EUR 2.12 billion**, enabling the Vienna Insurance Group to surpass the **EUR 2 billion premium mark** in the property/casualty insurance segment for the first time. Overall, in the **CEE region the Group companies** thus generated an excellent **57.7 percent** of the premiums in this segment.

Premiums generated in **non-CEE countries** amounted to **EUR 1.55 billion**, equating to growth of **5.4 percent** in comparison with the previous year. In **Austria**, the Group companies generated premiums of **EUR 1.49 billion** at a growth rate of **5.3 percent**. In **other markets** (Germany and Liechtenstein) premiums written increased by **6.1 percent** to a total of **EUR 65.95 million**.

Life insurance

In this segment the **Vienna Insurance Group** generated overall premiums written of **EUR 2.93 billion**, enabling it to achieve a growth rate of **16.6 percent** compared to the previous year. Double-digit growth rates were recorded in both Austria as well as in the CEE region.

In **CEE markets**, the premium volume of **EUR 847.31 million** generated by the Group companies was **38.3 percent** higher than in 2006, thereby increasing the premium contributions made by CEE Group companies in this segment to a significant **28.9 percent**. This shows the increasing importance of life insurance in the CEE countries.

In **non-CEE** countries, **premiums written** in the life segment amounted to **EUR 2.09 billion**, a **9.6 percent** increase compared to 2006. Of these, **EUR 1.90 billion** (an increase of 10.2 percent) were generated in **Austria**, and **EUR 185.22 million** (an increase of 3.7 percent) in **other markets**.

Health insurance

In the health insurance segment, the **Vienna Insurance Group** registered premiums written of **EUR 306.60 million**, an increase of **2.9 percent**. Sales and marketing of sizeable volumes is only carried out by the Wiener Städtische Versicherung AG Vienna Insurance Group in Austria, as one of the leading providers of health insurance there.

2. GEOGRAPHIC RESULTS

Austria

In Austria the Vienna Insurance Group generated premium volumes of **EUR 3.70 billion** for 2007, growing at **7.6 percent**.

Profits (before taxes) increased by an outstanding **37.2 percent** to a total of **EUR 286.80 million**.

Czech Republic

For 2007 the Group companies in the Czech Republic were able to increase premiums written to **EUR 1.13 billion**, a growth of **7.9 percent**. The Vienna Insurance Group therefore holds an outstanding second place in the Czech insurance market for the non-life and life segments. Total premiums written in the **non-life** segment amounted to **EUR 838.14 million**. This is a **6.3 percent** increase compared to the previous year. In the **life** segment, Group companies generated a **12.6 percent** increase in premiums to **EUR 292.33 million**.

Profits (before taxes) were **EUR 73.81 million** (an increase of **24.9 percent**). As a result, the contribution made by Czech Group companies to the overall Group results is close to 20 percent.

Slovakia

In Slovakia, the Group companies are ranked in an excellent second place on the insurance market. Especially noteworthy is the motor insurance segment: in the areas of **motor third party liability insurance** and **motor own damage insurance**, the Vienna Insurance Group remains the market leader in the Slovakian insurance market.

Over the entire fiscal year 2007, Group companies achieved **premiums written** of **EUR 494.52 million**, equating to outstanding growth of **27.6 percent** compared to the previous year. In the **non-life segments** premiums grew by **20.4 percent** to **EUR 296.86 million**. Premiums of **EUR 197.66 million** were achieved as a result of strong growth (**40.0 percent**) in the **life segment**.

Profits (before taxes) increased by **9.5 percent** to a total of **EUR 30.30 million**.

Poland

The Vienna Insurance Group saw very dynamic growth in the Polish market. Because of the numbers achieved, Poland was added as a separate segment beginning with the 3rd quarter of 2007. Group companies in Poland hold an excellent fifth place in the non-life segment, and overall have already attained sixth place in the entire Polish insurance market.

In 2007, Polish Group companies generated **premiums written** of **EUR 543.14 million**, an excellent growth of **62.1 percent**. In the **non-life** segment, premiums grew by **50.4 percent** to **EUR 324.34 million**. In the **life** segment Group companies achieved significant growth of **83.3 percent**, resulting in premiums of **EUR 218.80 million**.

Profits (before taxes) in 2007 were **EUR 18.78 million**, which represents an impressive growth rate of almost **143 percent**.

Romania

Already in the 3rd quarter of 2007, because of the achievement of becoming the market leader in Romania, along with strong growth, the Vienna Insurance Group in Romania began showing its results in Romania as a separate reporting segment.

The Romanian Vienna Insurance Group companies are market leaders in their domestic insurance market.

In 2007, the Vienna Insurance Group companies in Romania (excluding Asirom, which was not included in the consolidation basis for the year) generated **premium volumes** of **EUR 413.49 million**. This corresponds to a significant growth of **74.5 percent** compared to 2006. Growth in the **non-life** segment was **77.9 percent** as a result of excellent premium growth to **EUR 399.89 million**. In the **life** segment, premiums written generated an income of **EUR 13.60 million**, representing an increase of **12.5 percent**.

Profits (before taxes) increased by **65.6 percent** to **EUR 4.56 million**.

Other CEE

2007 results for the Vienna Insurance Group companies in the 'other CEE' include results from the following countries: **Bulgaria, Croatia, Serbia, Turkey, Ukraine and Hungary**.

In 2007, **premiums written** for these countries increased by **93.5 percent** to **EUR 383.77 million**. In the **non-life** segment, growth of nearly **120 percent** was achieved with premiums written of **EUR 258.85 million**.

In the **life** segment, growth compared to the previous year was **54.8 percent**. Overall, **EUR 124.92 million** were generated for this segment.

Profits (before taxes) for the year 2007 were **EUR 10.25 million**.

Other markets

In **Germany and Liechtenstein**, Group companies generated total **premiums** of **EUR 251.17 million** (an increase of **4.3 percent**).

Profits (before taxes) were **EUR 12.80 million** (an increase of **8.3 percent**).

III. INCREASE IN DIVIDEND FOR THE YEAR 2007

Based on the outstanding Group results achieved in 2007, the dividend for this fiscal year – subject to the approval of the competent corporate bodies - will be increased from 82 cents per share to **EUR 1.10 per share** (an increase of approximately **34 percent**).

IV. NEW CHALLENGING TARGETS FOR 2011

As reported, the Vienna Insurance Group has signed an agreement to acquire all of the insurance activities from Erste Bank. With regard to possible conditions to anti-trust approvals in connection with the transaction, the Vienna Insurance Group considers the sale of shares in Bank Austria Creditanstalt Versicherung and the Romanian insurance company Unita. After excluding expected premiums and profits (before taxes) of these two companies, the Vienna Insurance Group sets new and ambitious targets for 2011. For the year 2011, Group profit (before taxes) of more than EUR 1 billion and premiums in the amount of more than EUR 12 billion will be targeted. The CEE share in total Group premiums is expected to increase to more than 50 percent.

The Vienna Insurance Group is a leading insurance group 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 and Bank Austria Creditanstalt Versicherung. Furthermore, it has minority holdings in Wüstenrot Versicherung and Sparkassen Versicherung.

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

Disclaimer:

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Consolidated Balance Sheet (IFRS) 31 December 2007

Assets (in TEUR)	31/12/2007	31/12/2006	+/- %
A. Intangible assets	524,505	461,447	13.7
B. Investments	20,171,389	17,260,368	16.9
C. Investments of unit- and index-linked life insurance	3,065,985	2,340,578	31.0
D. Reinsurers' share in underwriting provisions	1,186,664	963,314	23.2
E. Receivables	1,200,283	983,703	22.0
F. Deferred tax assets	33,861	23,543	43.8
G. Other assets	284,686	224,058	27.1
H. Cash and cash equivalents	277,700	226,443	22.6
Total Assets	26,745,073	22,483,454	19.0

Liabilities and Shareholders' Equity (in TEUR)	31/12/2007	31/12/2006	+/- %
A. Shareholders' equity	2,615,563	2,283,208	14.6
B. Subordinated liabilities	442,910	413,200	7.2
C. Underwriting provisions	17,092,129	14,628,421	16.8
D. Unit- and index-linked underwriting provisions	2,948,522	2,238,861	31.7
E. Non-underwriting provisions	794,802	835,634	-4.9
F. Liabilities	2,688,674	1,856,439	44.8
G. Deferred tax liabilities	80,765	121,528	-33.5
H. Other liabilities	81,708	106,163	-23.0
Total Liabilities and Shareholders' Equity	26,745,073	22,483,454	19.0

Consolidated Income Statement (IFRS) 1 Jan. 2007 - 31 Dez. 2007

(in EUR mn)	2007	2006	+/- %
<i>Gross premiums written</i>	6,911.93	5,881.51	17.5
A. Net earned premiums	5,941.69	5,038.68	17.9
B. Net investment income	995.77	711.45	40.0
C. Other income	51.96	61.41	-15.4
D. Claims and insurance benefits	-5,031.51	-4,213.32	19.4
E. Operating expenses	-1,345.11	-1,136.40	18.4
F. Other expenses	-182.38	-145.85	25.0
Result from shares in affiliated and associated companies	6.87	5.00	37.4
Profit before taxes	437.30	320.97	36.2
Tax expense	-88.43	-56.65	56.1
Profit for the period	348.87	264.32	32.0
Minority interests	-36.25	-3.42	960.3
Net profit after minorities	312.62	260.90	19.8

Combined Ratio	95.5%	96.9%
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Segment Reporting 1 Jan. 2007 - 31 Dec. 2007

Split by Business Segments:

(in EUR mn)	P&C		Life		Health		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
<i>Gross written premiums</i>	3,671.17	3,067.15	2,934.17	2,516.46	306.60	297.90	6,911.93	5,881.51
A. Net earned premiums	2,746.75	2,264.70	2,889.44	2,477.45	305.50	296.52	5,941.69	5,038.68
B. Net investment income ¹	148.46	114.27	838.04	588.14	16.14	14.05	1,002.64	716.45
C. Other income	35.26	39.76	16.66	21.35	0.04	0.30	51.96	61.41
D. Claims and insurance benefits	-1,764.36	-1,517.79	-3,000.23	-2,434.56	-266.92	-260.97	-5,031.51	-4,213.32
E. Operating expenses	-775.00	-625.76	-531.42	-474.56	-38.69	-36.08	-1,345.11	-1,136.40
F. Other expenses	-126.05	-99.49	-55.30	-45.35	-1.04	-1.01	-182.38	-145.85
G. Profit before taxes	265.07	175.69	157.20	132.47	15.03	12.81	437.30	320.97

Split by Regions:

(in EUR mn)	Austria		Czech Republic		Slovakia		Poland	
	2007	2006	2007	2006	2007	2006	2007	2006
<i>Gross written premiums</i>	3,695.37	3,434.73	1,130.47	1,048.00	494.52	387.68	543.14	335.06
A. Net earned premiums	3,304.49	3,100.39	918.96	827.57	398.76	281.40	483.90	262.78
B. Net investment income ¹	848.38	603.78	44.66	41.13	26.44	18.44	22.10	18.08
C. Other income	13.78	13.00	13.62	23.94	2.08	3.41	2.92	5.89
D. Claims and insurance benefits	-3,258.25	-2,895.49	-631.35	-595.84	-279.59	-190.10	-269.57	-134.50
E. Operating expenses	-577.93	-576.01	-218.88	-190.10	-84.33	-70.07	-207.04	-135.78
F. Other expenses	-43.67	-36.61	-53.19	-47.58	-33.06	-15.42	-13.53	-8.73
G. Profit before taxes	286.80	209.06	73.81	59.12	30.30	27.66	18.78	7.73

(in EUR mn)	Romania		Other CEE		Other		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
<i>Gross written premiums</i>	413.49	236.89	383.77	198.37	251.17	240.78	6,911.93	5,881.51
A. Net earned premiums	314.94	193.52	300.32	161.43	220.34	211.59	5,941.69	5,038.68
B. Net investment income ¹	13.76	6.29	28.60	10.87	18.70	17.87	1,002.64	716.45
C. Other income	9.75	4.86	5.73	4.43	4.07	5.88	51.96	61.41
D. Claims and insurance benefits	-208.51	-117.30	-199.78	-103.03	-184.45	-177.05	-5,031.51	-4,213.32
E. Operating expenses	-113.91	-71.34	-114.22	-64.20	-28.79	-28.90	-1,345.11	-1,136.40
F. Other expenses	-11.46	-13.29	-10.40	-6.67	-17.08	-17.57	-182.38	-145.85
G. Profit before taxes	4.56	2.75	10.25	2.83	12.80	11.82	437.30	320.97

¹ including result from associated and affiliated companies