

**INTERIM REPORT 1<sup>ST</sup> QUARTER 2008**  
**VIENNA INSURANCE GROUP**

*Thank you for your confidence*





## LETTER FROM THE CHAIRMAN OF THE MANAGING BOARD

**Dear Shareholders,  
Ladies and Gentlemen,**

Recent news from the financial markets has made it clear that it may no longer be taken for granted that financial services companies will possess sound capital resources. This is not the case with the Vienna Insurance Group: In the 1<sup>st</sup> quarter of 2008, we were once again able to increase our equity by more than EUR 63 million, out of our operating activities alone.



*Günter Geyer,  
General Manager*

Furthermore, in May of this year, we once again strengthened our foundation for the future through the issuance of 23 million new shares. The clearly over-subscription of this issue demonstrates the appeal of our business model, which has proven itself particularly in times of crisis. Our goal is to provide growth and safety to our shareholders, our customers and our employees.

Our sound solid financial footing is allowing us to take a great strategic step into the future. By acquiring Austrian company s Versicherung, its subsidiaries in the CEE region and the Romanian BCR insurance companies from Erste Bank, we are taking over all of our banking partner's insurance activities, with a premium volume of approximately EUR 1.3 billion.\* In addition, we have concluded a long-term, mutual and transnational distribution agreement with Erste Bank that will provide us with access to 16 million customers of Erste Bank. This

will further enable effective implementation of our strategy of sustained growth in CEE countries. In terms of premium volume, this acquisition will make us number one among international insurance companies operating in the CEE region\*\* and a leading life insurance provider. For we view this branch of the business as an engine of future growth in Austria and in Central and Eastern Europe.

The international rating agency Standard & Poor's has also recognized this importance of this step by changing the outlook for our current A+ rating to positive.

Our business development in the 1<sup>st</sup> quarter of 2008 – to my way of thinking – also justifies this. The 15% growth in consolidated premiums (not yet including the most recent acquisitions) to more than EUR 2.3 billion and the 24% increase in profit before taxes to approximately EUR 125 million is something to be proud of – and particularly when compared to the insurance sector.

This result shows that the Vienna Insurance Group's pie is getting increasingly bigger. In the next few days you will again have the chance to cut off a piece for yourselves. The Vienna Insurance Group is planning to issue a bond, giving you one more opportunity to profit from the Vienna Insurance Group.

Sincerely,

Günter Geyer

\* Subject to approval of authorities

\*\* Market position (Vienna Insurance Group) – Definition of CEE: Czech Republic, Slovakia, Poland, Romania, Bulgaria, Croatia, Hungary



# BUSINESS DEVELOPMENT

## Vienna Insurance Group in 1<sup>st</sup> quarter 2008: Continued growth

- Profit before taxes increases by approximately 24%, to roughly EUR 125 million
- Group premiums increase by approximately 15%, to over EUR 2.3 billion
- Already more than EUR 1 billion in premiums from CEE region in 1<sup>st</sup> quarter
- Poland and Romania double profits

## MANAGEMENT REPORT

In the 1<sup>st</sup> quarter of 2008, the Vienna Insurance Group achieved growth of 14.5% compared to the previous year, with consolidated premiums written (excluding other insurance participation) totalling EUR 2.31 billion.

Group profit before taxes grew by a significant 23.9%, to a total of EUR 124.85 million. This corresponds to an increase of EUR 24.12 million.

The Group's combined ratio after reinsurance (not taking investment income into account) also decreased in comparison to the previous year. It currently stands at 95.5% for the 1<sup>st</sup> quarter (1<sup>st</sup> quarter 2007: 96.4%), despite the damage caused by the storms "Paula" and "Emma".

With regard to the situation on the capital markets, the financial results decreased to EUR 175.58 million (-14.5 %) in the 1<sup>st</sup> quarter of 2008. This was more than made up for by the sound technical result, leading to an outstanding increase in consolidated profit before taxes of approximately 24%.

On 31 March 2008, the Group's investment volume was maintained at approximately EUR 20 billion.

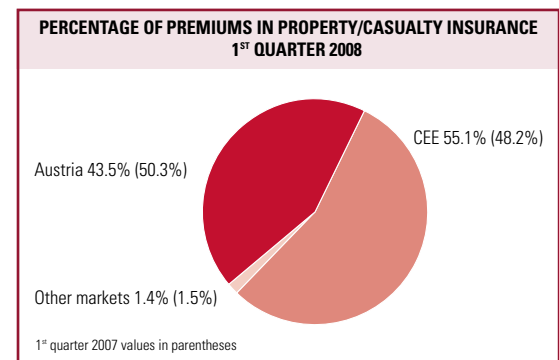
### BUSINESS DEVELOPMENT OF THE GROUP BY CLASS (BUSINESS SEGMENTS)

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.

#### Property/casualty insurance

Total written premiums generated in this sector amounted to EUR 1.38 billion, representing an outstanding 16.6% increase.

In CEE markets, Group companies even managed to achieve growth rates of 33.2% in this segment, with premiums written of EUR 761.17 million. As a result, the contribution of CEE-region companies in the Group to overall premiums in the property/casualty insurance segment is already an excellent 55.1%, representing approximately 7 percentage points growth over the previous year.



Premiums in this segment from non-CEE markets were EUR 621.41 million, (+1.2%). In Austria, Group companies generated premiums of EUR 602.10 million, representing a growth rate of 1.1%. In the other markets (Germany), premiums written increased by 6.1%, to a total of EUR 19.31 million.

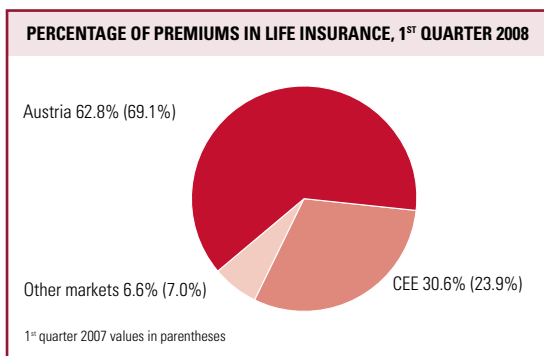
#### Life insurance

In the life insurance segment, the Vienna Insurance Group achieved overall premiums written of EUR 846.99 million, thereby increasing premium volumes in this segment by a significant 12.5% as compared to the year before.

Vienna Insurance Group companies in the CEE region have already witnessed the effects of a boom in the life segment. Consequently, CEE Group companies were able to achieve an outstanding growth rate of 43.8% com-

pared to the previous year, with a premium volume of EUR 259.00 million.

This means that the share of premiums in this segment accounted for by CEE-region companies in the Group is just over 30%, coming after 24% in the same period last year.



For non-CEE countries, premiums written in the life segment amounted to EUR 587.98 million, equalling growth of 2.6%. Of these, Austria generated EUR 532.03 million (+2.2%), with EUR 55.96 million (+6.8%) being generated by the other markets (Germany, Liechtenstein).

**Health insurance**

In the health insurance segment, the Vienna Insurance Group recorded premiums written of EUR 81.68 million, an increase of 2.2%. 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.

**BUSINESS DEVELOPMENT OF THE GROUP BY REGION**

Premiums written in the CEE region amounted to EUR 1.02 billion in the first three months of 2008, surpassing the previous year's volume by an outstanding 35.7%.

In non-CEE countries Group companies generated premiums of EUR 1.29 billion for the 1<sup>st</sup> quarter of 2008, which represents a growth of 1.9%.

**Austria**

In Austria, Vienna Insurance Group premiums for the 1<sup>st</sup> quarter of 2008 amounted to EUR 1.22 billion (+1.6%).

Profit before taxes rose to EUR 76.05 million, an increase of 21.7% compared to the first three months of 2007.

**Czech Republic**

In the 1<sup>st</sup> quarter of 2008, Group companies in the Czech Republic increased their premium volume by an excellent 15.1%, 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% in this segment relative to the same period the year before. In the life segment, an increase of 24.0% compared to the first three months of 2007 was achieved, with premiums written amounting to EUR 83.87 million.

Profit before taxes were EUR 20.55 million (+12.1%).

**Slovakia**

In the 1<sup>st</sup> quarter of 2008, Group companies in Slovakia achieved premiums written of EUR 161.31 million, hence 14.1% growth compared to the year ago period. In the non-life segment, premiums were EUR 105.19 million (+3.1%). With a premium volume of EUR 56.12 million, the life segment grew by 42.6%.

Profit before taxes rose by 8.0%, to a total of EUR 10.77 million.

**Poland**

In the 1<sup>st</sup> quarter of 2008, Polish Group companies generated premiums written of EUR 174.04 million, which corresponds to growth of 43.3%. With premium volumes of EUR 99.67 million, the non-life segment grew by 29.5%. In the life insurance segment, Group companies achieved growth rates of 67.3%, with premiums of EUR 74.37 million.

For the first three months of the current year, profit before taxes amounted to EUR 7.34 million, which represents an increase of 104.8 %.

**Romania**

In the first three months of the current year, Vienna Insurance Group companies (including, for the first time, Asirom) achieved premium volumes of EUR 200.86 million, hence an increase of 89.1% compared to the period one year ago. In the non-life segment, premiums written amounted to EUR 189.45 million (+84.8%), while premiums amounting to EUR 11.41 million – hence an increase of 206.1% – were achieved in the life segment.

Profit before taxes increased by 102.9% to EUR 2.70 million.

**Other CEE markets**

1<sup>st</sup> quarter 2008 results for Vienna Insurance Group companies for Other CEE markets include the following

## BUSINESS DEVELOPMENT

countries: Bulgaria, Croatia, Serbia, Turkey, Ukraine and Hungary.

Premiums written from these countries rose by 77.7%, to EUR 124.29 million, in the first three months of the current year.

The non-life segment posted an increase of just over 100%, with premiums written of EUR 91.07 million.

Overall premiums written in the life segment amounted to EUR 33.22 million, equal to an increase of 33.1%.

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%.

### Other markets

In the 1<sup>st</sup> quarter of 2008, Group companies in Germany and Liechtenstein generated total premiums of EUR 75.26 million (+6.6%).

Profit before taxes were EUR 4.77 million (+45.7%).

### Segment reporting by region

In million EUR	premiums written – gross		profit before taxes	
	31.03.08	31.03.07	31.03.08	31.03.07
Austria	1,215,812	1,196,259	76,050	62,489
Czech Republic	359,672	312,593	20,553	18,342
Slovakia	161,310	141,350	10,765	9,971
Poland	174,040	121,412	7,343	3,586
Romania	200,863	106,227	2,703	1,332
Other CEE markets*	124,289	69,948	2,656	1,732
Other marketes**	75,264	70,583	4,775	3,277
<b>Total</b>	<b>2,311,250</b>	<b>2,018,372</b>	<b>124,845</b>	<b>100,729</b>

\* Other CEE markets: Bulgaria, Croatia, Serbia, Turkey, Ukraine and Hungary

\*\* Other markets: Germany, Liechtenstein





**CURRENT VIENNA INSURANCE GROUP TOPICS**

- **Vienna Insurance Group – Acquisition of all insurance activities of Erste Bank\***
- **Vienna Insurance Group – 2008 Capital Increase: Issuance of 23 million new shares**
- **Vienna Insurance Group – Standard & Poor's "A+" rating affirmed; outlook raised to "positive"**
- **Austria – Stake in Bank Austria Creditanstalt Versicherung AG reduced to 10%\***
- **Poland – Merger of Benefia Leben and Royal Polska planned**
- **Poland – Purchase of FinLife completed**

\* Subject to approval of authorities

**Vienna Insurance Group – Acquisition of all insurance activities of Erste Bank**

Vienna Insurance Group has concluded an agreement with Erste Bank to acquire all of the latter's insurance activities, including companies in Austria, the Czech Republic, Slovakia, Hungary, Croatia and Romania, for a cash purchase price of about EUR 1.4 billion. Upon conclusion of the transaction, Vienna Insurance Group will hold an approximately 95% interest in s Versicherung and its life insurance subsidiaries, with the remaining 5% being held by Erste Bank and its subsidiaries. As for the BCR Asigurari Group, Vienna Insurance Group will acquire an 88.5% interest from Erste Bank, the BCR holds further 5% of BCR Asigurari Group, the former minority shareholders continuing to hold the remaining shares.

The insurance activities of Erste Bank include s Versicherung in Austria, with its subsidiaries in the Czech Republic, Slovakia, Hungary and Croatia, as well as BCR Asigurari Group in Romania. While s Versicherung Group is primarily active in life insurance, BCR Asigurari Group, in addition to life insurance, also has a significant presence in the property and casualty area. As majority shareholder of Donau Versicherung, Vienna Insurance Group already holds a minority interest in s Versicherung.

A very important component of the transaction is the conclusion of a long-term distribution agreement that will give Vienna Insurance Group access to Erste Bank's international sales network, with more than 16 million customers and over 2,900 branches. The mutual distribution agreement ("Preferred Partnership") between Erste Bank and Vienna Insurance Group will be entered into for 15 years and relates to all countries in which both companies currently operate. The agreement will be automatically renewed for another 10 years unless one of the parties gives notice of termination 12 months before its expiration.

Not only will the planned transaction create the No. 1 company among international insurance companies in Central and Eastern Europe, but acquisition of the life insurance companies may also significantly strengthen the life insurance business through access Erste Bank's bank distribution channels.

Both acquisition of the insurance companies and the long-term agreement are still subject to approval by regulators and antitrust authorities. The transaction is expected to be implemented in the 3<sup>rd</sup> quarter of 2008.

**Vienna Insurance Group – 2008 Capital Increase: Issuance of 23 million new shares**

The WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP has increased its share capital from 105 million shares to up to 128 million shares, through the issuance of up to 23 million new shares. The capital increase will be used to finance acquisition of the insurance activities of Erste Bank, including the mutual distribution partnership with Erste Bank. Vienna Insurance Group's capital increase will furthermore make it possible to finance acquisitions in Poland, Ukraine and Hungary.

After a successful bookbuilding process, WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP has set the subscription and offering price for the new shares at EUR 49.50 per share. Due to the high demand, all 23 million of the new shares offered in connection with the capital increase were placed. The capital increase of Vienna Insurance Group with gross proceeds of about EUR 1.14 billion represents the largest ever share offering by an insurance group on the Vienna Stock Exchange.

## CURRENT TOPICS

The global offering was many times oversubscribed. Especially strong demand was exhibited both by existing Vienna Insurance Group shareholders and multiple new private and institutional investors. Particular institutional investor demand came from Austria, the United Kingdom, the U.S. and Asia. Wiener Städtische Wechselseitige Versicherungsanstalt-Vermögensverwaltung granted the joint bookrunners the option to acquire up to 1,000,000 additional shares to cover over-allocations. As the issue was oversubscribed several times, these 1 million additional shares have already been included in the allotment. The new shares carry full dividend rights from the fiscal year 2008.

### **Vienna Insurance Group – Standard & Poor's "A+" rating affirmed; outlook raised to "positive"**

The internationally renowned rating agency Standard & Poor's (S&P) affirmed its existing "A+" rating for the exchange-listed WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP and raised its outlook from "stable" to "positive". Vienna Insurance Group is the only Austrian insurance group to have an "A+" rating and a positive outlook.

The rating recognizes Vienna Insurance Group's consistently strong operating profits, repeatedly above reported targets, as well as the rising contributions made by CEE countries to the Group's profit in recent years. The outstanding 95.5% combined ratio in the non-life segment, achieved despite numerous losses from natural catastrophes in 2007, also received a positive evaluation.

Diversification of the Vienna Insurance Group's business segments as well as its distribution capacities in Central and Eastern Europe and Austria has also been solid and consistent. Standard & Poor's expects that Vienna Insurance Group will be able to preserve its strong capitalisation and continue the robust increase of profitabili-

ty of past years into the future as well. The planned transaction and the long-term distribution agreement with Erste Bank in the CEE area were viewed as another key factor in the improved outlook.

### **Austria – VIG reduces stake in BA-CA Versicherung AG to 10%**

WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP is selling its shares in BA-CA Versicherung AG to ERGO Versicherungsgruppe, thereby enabling the latter to increase its stake to approximately 80%. This transaction will lower Vienna Insurance Group's stake in BA-CA Versicherung to 10% plus one share. It is understood that this change of the majority interests in BA-CA Versicherung is subject to approval of authorities.

### **Poland – Merger of Benefia Life and Royal Polska planned**

Vienna Insurance Group plans to concentrate its business activities on the Polish insurance market in the area of life insurance. Royal Polska and Benefia Life are to be merged. Future plans are for both companies to distribute their products throughout Poland through cooperative agreements with banks, under the joint brand profile of Benefia Life.

### **Poland – Purchase of FinLife completed**

The acquisition of 100% of the shares of FinLife TUnZ S.A. (FinLife) was successfully completed after the obtaining of approval of authorities. FinLife, headquartered in Warsaw, was founded in 1996. In 2006, FinLife posted premium income of approximately EUR 20 million. The company specializes in group and term policies and has approximately 90 employees and 15 branches throughout Poland. FinLife has a well developed independent distribution network as well as cooperative agreements in the banking sector.





## CAPITAL MARKET

### International overview

In the 1<sup>st</sup> quarter of 2008, the global economy continued to be adversely impacted by the subprime crisis in the U.S., necessitating high write-downs among financial institutions even in 1<sup>st</sup> quarter 2008, and leading to a significant decline in the willingness of private and institutional investors to accept risk. At the same time, high oil, commodities and food prices led to an increase in inflationary pressures. Based on these factors, market trends on international stock exchanges in the 1<sup>st</sup> quarter of 2008 were downwards.

Monetary policy measures taken by the U.S. Federal Reserve Board (FED) in the second half of January put an end to the equity markets' period of falling prices, resulting in volatile sideways movement. However, the Dow Jones Industrials (DJI) U.S. stock index, the Eurostoxx 50 and the Japanese Nikkei 225 did not reach their lows for the year until March, when they once again temporarily dropped below their January lows. After that, the Fed's monetary policy measures once again provided support for market trends. Nonetheless, at the end of the quarter, the DJI was 7.6% below its year-end value, the Eurostoxx 50 was 17.5% lower, the Nikkei 225 around 18.2% and the Eastern European index CECE (calculated in euro) was 11.7% below its position at the end of the year.

### Interest rate changes

Regardless of the massive interest rate reductions in the U.S. since June 2007, the European Central Bank (ECB) continued to keep its prime rate unchanged for now, at 4.0%. The ECB is ready to supply the banking system with adequate capital at any time; however, it is unwilling to hold out the prospect of reductions in the prime rate. The reason given for this is chiefly concern over inflation. In the 1<sup>st</sup> quarter of 2008, the Czech Republic increased its prime rate by 25 basis points in one step, to 3.75%; Poland raised its rate in two steps, to 5.75%, with Romania also increasing its rate to 9.50%, in three steps. The U.S. Federal Reserve Board lowered its prime rate in several steps in the 1<sup>st</sup> quarter, to the most recent rate of 2.25%. To counteract a recession and calm uncertainties in the financial markets, the U.S. Federal Reserve Board continues to see a need for extreme interest rate reductions.

### Vienna Stock Exchange

The Vienna Stock Exchange index ATX was unable to escape the negative influence of the international equity market environment. With a decline of 16.6%, however, the ATX performed slightly better than the European benchmark index, the Eurostoxx 50. The price trend on the Vienna Stock Exchange roughly reflects that of other

international stock exchanges. However, the recovery from the January lows was more pronounced and the ATX even surpassed the 4,000 mark for a brief time in late February. A definite correction in the first half of March, however, prompted the ATX, on March 17, to fall to its current low for the year, 3,524.64 points. By the end of the quarter, however, it had once again recovered sharply, to 3,765.91 points.

## INVESTOR RELATIONS

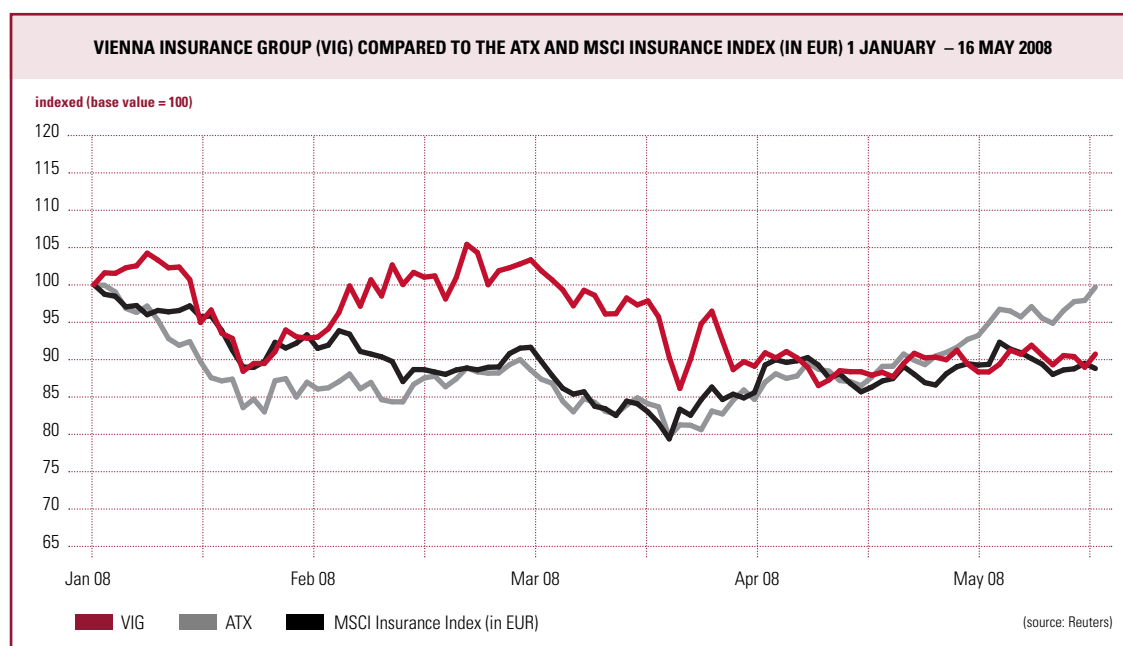
In 2008, Vienna Insurance Group has already undertaken extensive road show activities. The first road show of 2008 was held in late January in Prague, where management presented the Vienna Insurance Group in connection with the dual listing of the share on the Prague Stock Exchange, with institutional investors exhibiting lively interest in the Group. In the meantime, the Vienna Insurance Group has become one of the blue chips on the Prague Stock Exchange, being included in the benchmark index PX in late March.

In February, the Vienna Insurance Group presented itself for the first time to investors at meetings in San Francisco, Los Angeles and San Diego on the west coast of the United States. Following that, based on numerous investor enquiries, the Vienna Insurance Group participated in the road show in Tokyo organised by the Vienna Stock Exchange.

In March, at the invitation of UniCredit, the management team discussed the strategy and potential of the Vienna Insurance Group at the now traditional Emerging Europe Conference in New York, where interest was primarily focused on the group's robustly growing insurance business in Central and Eastern Europe.

The publication of year-end results and the announcement of the planned acquisition of the insurance activities of Erste Bank were followed in late March by initial discussions with existing investors in London, Frankfurt and New York. With the start of the subscription period for the capital increase, management presented its most recent acquisition project at approximately 100 investor one-to-ones between April 22 and May 6, 2008, in more than 20 different cities in 11 countries. The Group's strategically significant step in the growing life insurance area was thoroughly welcomed by investors. In particular, the mutual distribution of financial services products and the discussions of the practical implementation of cooperation agreement with Erste Bank illustrated the group's development opportunities and highlighted the great potential for the future. Despite difficult overall conditions on the capital markets, interest in the capital increase was enormous and,

# SHARES AND OUTLOOK



gratifyingly, was particularly lively among retail investors. The market's positive feedback was reflected, not least, in the oversubscribed offering.

The excellent consolidated results for the 1<sup>st</sup> quarter of 2008 also received great recognition on capital markets. Two investment banks highly renowned throughout the world either affirmed their positive evaluation of Vienna Insurance Group shares or increased their target price.

## VIENNA INSURANCE GROUP SHARES

### Key figures for the shares in the 1<sup>st</sup> quarter 2008

Highest price	EUR 58.20
Lowest price	EUR 46.77
Price as of 31 March	EUR 48.53
Market capitalization (31 March)	EUR 5.1 Mrd.
Dividend 2007	EUR 1.10
Average daily stock exchange trading volume	EUR 9.6 Mio.*

\*using single counting

### Performance of Vienna Insurance Group shares

The shares of the Vienna Insurance Group escaped the negative market trend at the beginning of the year, reaching an all time high of EUR 58.20 on February 19, 2008. After that, the share price declined along with the market, on high volatility, and hit its current low for the year of EUR 46.77 on March 18, 2008. Since that time, the share has risen by almost 4% up through the end of the reporting period. The dividend, increased by 34% to EUR 1.10 due to the excellent consolidated results, was paid out on April 28, 2008.

### Information on Vienna Insurance Group shares

Initial quotation (Vienna)	17. October 1994
Number of shares	128 million
Free Float	29%
ISIN	AT0000908504
Stock exchange listing	Vienna and Prague
Ticker symbol	VIG
Bloomberg	VIG AV / VIG CP
Reuters	VIGR.VI / VIGR.PR
Rating – Standard & Poor's	A+, positive outlook

## OUTLOOK

In view of possible requirements imposed by antitrust authorities in connection with the acquisition of Erste Bank, Vienna Insurance Group will sell shares of BA-CA Versicherung and the Romanian insurance company Unita. Even deducting the expected premiums and the profit before taxes of these two companies, Vienna Insurance Group is setting new and ambitious targets for itself for 2011. For 2011, a group profit before taxes of more than EUR 1 billion and premiums of more than EUR 12 billion are being aimed at. The CEE area's share of total premium volume is to grow to more than 50%.

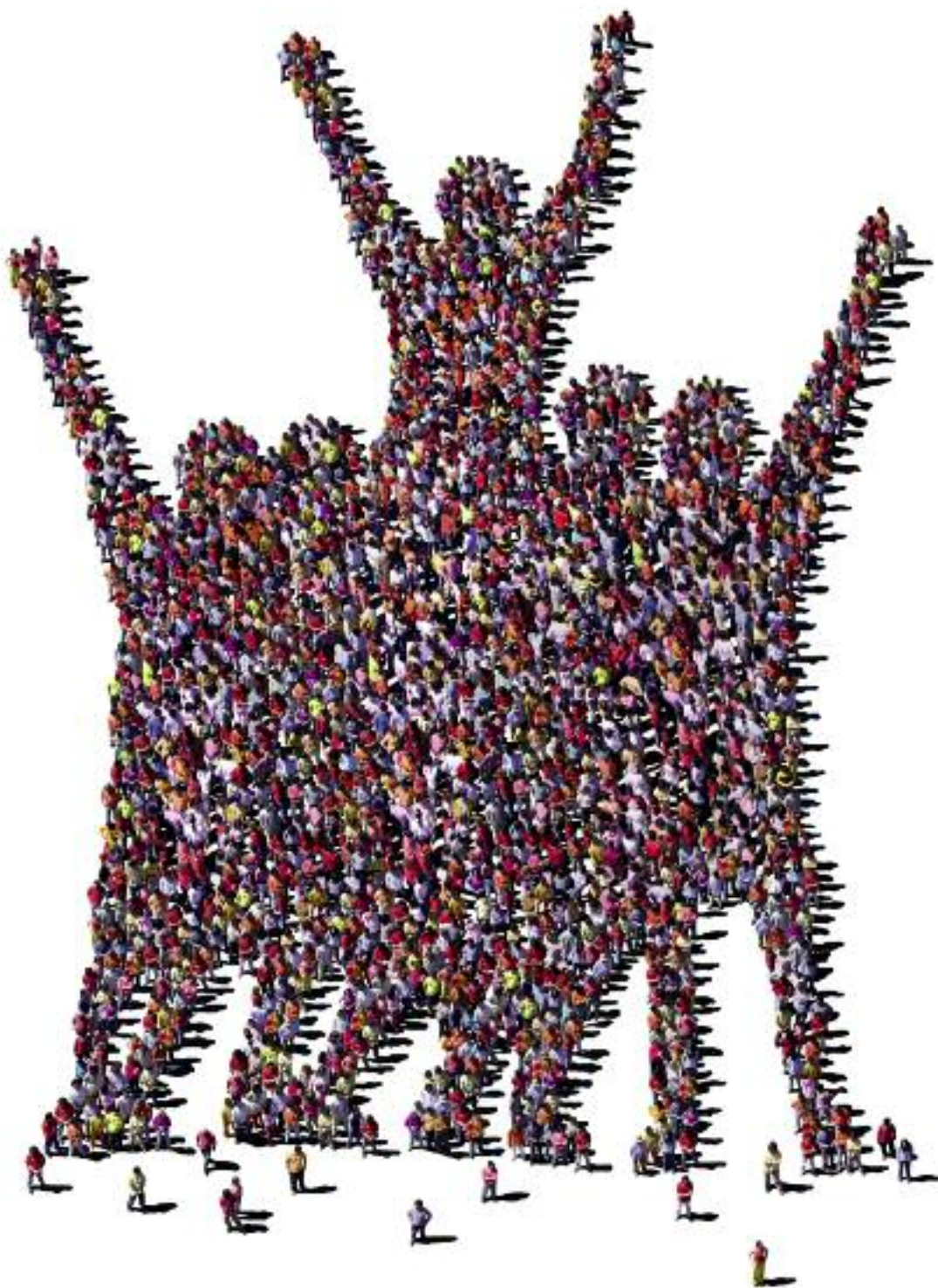
### Financial Calendar\* of WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP

Results for the 1 <sup>st</sup> half of 2008	21 August 2008
Results for the first three quarters of 2008	11 Nov 2008

\* preliminary schedule

# CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Interim Report  
1<sup>st</sup> quarter 2008



CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 MARCH 2008

CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2008

ASSETS	31.03.2008	31.12.2007
<b>in EUR '000</b>		
<b>A. Intangible assets</b>		
I. Goodwill	660,531	422,300
II. Purchased insurance portfolios	34,025	30,629
III. Other intangible assets	170,425	71,576
<b>Total intangible assets</b>	<b>864,981</b>	<b>524,505</b>
<b>B. Investments</b>		
I. Land and buildings	2,875,853	2,868,725
II. Ownership interests *)	697,690	970,770
III. Financial investments	16,525,794	16,331,894
a) Loans and other investments	1,982,430	1,858,350
b) Other securities	14,543,364	14,473,544
Financial investments held to maturity	466,172	373,273
Financial investments available for sale	12,944,224	12,958,608
Trading assets **)	1,132,968	1,141,663
<b>Total investments</b>	<b>20,099,337</b>	<b>20,171,389</b>
<b>C. Investments of unit- and index-linked life insurance</b>	<b>2,942,791</b>	<b>3,065,985</b>
<b>D. Reinsurers' share in underwriting provisions</b>	<b>1,364,252</b>	<b>1,186,664</b>
<b>E. Receivables</b>	<b>1,605,304</b>	<b>1,200,283</b>
<b>F. Deferred tax assets</b>	<b>48,252</b>	<b>33,861</b>
<b>G. Other assets</b>	<b>289,411</b>	<b>284,686</b>
<b>H. Cash and cash equivalents</b>	<b>273,483</b>	<b>277,700</b>
<b>Total ASSETS</b>	<b>27,487,811</b>	<b>26,745,073</b>

\* including affiliated companies, associated companies and other ownership interests

\*\* including financial investments at fair value through profit and loss

LIABILITIES AND SHAREHOLDERS' EQUITY	31.03.2008	31.12.2007
<b>in EUR '000</b>		
<b>A. Shareholders' equity</b>		
I. Share capital	109,009	109,009
II. Capital reserves	1,035,029	1,035,029
III. Retained earnings	1,155,647	1,057,693
IV. Other reserves	98,584	136,374
V. Minority interests	280,475	277,458
<b>Total shareholders' equity</b>	<b>2,678,744</b>	<b>2,615,563</b>
<b>B. Subordinated liabilities</b>	<b>443,426</b>	<b>442,910</b>
<b>C. Underwriting provisions</b>		
I. Unearned premiums	1,412,665	960,354
II. Mathematical reserve	12,825,472	12,502,836
III. Provision for outstanding insurance claims	3,231,343	3,008,951
IV. Provision for profit-independent premium refunds	54,058	43,126
V. Provision for profit-dependent premium refunds	405,996	557,762
VI. Other underwriting provisions	21,165	19,100
<b>Total underwriting provisions</b>	<b>17,950,699</b>	<b>17,092,129</b>
<b>D. Underwriting provisions of unit- and index-linked life insurance</b>	<b>2,870,192</b>	<b>2,948,522</b>
<b>E. Non-underwriting provisions</b>		
I. Provisions for pensions and similar obligations	352,515	404,618
II. Provision for taxes	141,806	126,029
III. Other provisions	218,674	264,155
<b>Total non-underwriting provisions</b>	<b>712,995</b>	<b>794,802</b>
<b>F. Liabilities</b>	<b>2,672,231</b>	<b>2,688,674</b>
<b>G. Deferred tax liabilities</b>	<b>79,839</b>	<b>80,765</b>
<b>H. Other liabilities</b>	<b>79,685</b>	<b>81,708</b>
<b>Total LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>27,487,811</b>	<b>26,745,073</b>



CONSOLIDATED SHAREHOLDERS' EQUITY

	Share capital	Capital reserves	Retained earnings	Unrealised gains and losses	Currency translation and other reserves	Share holder's equity before minority interest	Minority interest	Share holder's equity
<b>in EUR '000</b>								
<b>As of 1 January 2007</b>	<b>109,009</b>	<b>1,035,029</b>	<b>775,701</b>	<b>245,128</b>	<b>47,542</b>	<b>2,212,409</b>	<b>70,799</b>	<b>2,283,208</b>
Exchange rate	0	0	0	0	-3,395	-3,395	-609	-4,004
Change in scope of consolidation/ ownership interests	0	0	-2,292	0	0	-2,292	40,279	37,987
Unrealised gains and losses from financial investments available for sale	0	0	0	18,988	0	18,988	9,180	28,168
Profit for the period	0	0	75,976	0	0	75,976	6,198	82,174
Dividend payment	0	0	0	0	0	0	-570	-570
<b>As of 31 March 2007</b>	<b>109,009</b>	<b>1,035,029</b>	<b>849,385</b>	<b>264,116</b>	<b>44,147</b>	<b>2,301,686</b>	<b>125,277</b>	<b>2,426,963</b>

	Share capital	Capital reserves	Retained earnings	Unrealised gains and losses	Currency translation and other reserves	Share holder's equity before minority interest	Minority interest	Share holder's equity
<b>in EUR '000</b>								
<b>As of 1 January 2008</b>	<b>109,009</b>	<b>1,035,029</b>	<b>1,057,693</b>	<b>78,146</b>	<b>58,228</b>	<b>2,338,105</b>	<b>277,458</b>	<b>2,615,563</b>
Exchange rate	0	0	0	0	15,678	15,678	787	16,465
Change in scope of consolidation/ ownership interests	0	0	6,542	0	0	6,542	65	6,607
Unrealised gains and losses from financial investments available for sale	0	0	0	-53,468	0	-53,468	-4,711	-58,179
Profit for the period	0	0	91,412	0	0	91,412	7,456	98,868
Dividend payment	0	0	0	0	0	0	-580	-580
<b>As of 31 March 2008</b>	<b>109,009</b>	<b>1,035,029</b>	<b>1,155,647</b>	<b>24,678</b>	<b>73,906</b>	<b>2,398,269</b>	<b>280,475</b>	<b>2,678,744</b>



## CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY 2008 TO 31 MARCH 2008 (2007)

	1.1.–31.3.2008	1.1.–31.3.2007
<b>in EUR '000</b>		
<b>Premiums written – Gross</b>	<b>2,311,250</b>	<b>2,018,372</b>
Net earned premiums	1,736,808	1,464,347
<b>Financial result, not incl. shares in affiliated and associated companies</b>	<b>159,110</b>	<b>204,382</b>
Other income	17,458	8,871
Claims and insurance benefits	–1,359,109	–1,184,745
Operating expenses	–391,594	–347,664
Other expenses	–54,298	–45,401
Result from shares in affiliated and associated companies	16,470	939
<b>Profit before taxes</b>	<b>124,845</b>	<b>100,729</b>
Tax expenses	–25,977	–18,555
<b>Profit for the period</b>	<b>98,868</b>	<b>82,174</b>
Attributable to VIG shareholders	91,412	75,976
Minority interests in net income for the period	7,456	6,198
<b>Earnings per Share (annualised)</b>		
basic = diluted earnings per share (in EUR)	3.48	2.89

CONSOLIDATED CASH FLOW STATEMENT FROM 1 JANUARY 2008 TO 31 MARCH 2008 (2007)

	2008	2007
<b>in EUR '000</b>		
Profit for the period less minority interest	91,412	75,976
Minority interest	7,454	6,198
<b>Profit for the period before minority interest</b>	<b>98,866</b>	<b>82,174</b>
Net change in other underwriting provisions	808,462	685,438
Changes in underwriting receivables and payables	-322,069	-297,146
Changes in deposit receivables and payables, as well as in invoice receivables and payables	18,990	2,198
Changes in other receivables and payables	-233,416	49,243
Changes in financial investments held for trading	43,265	-42,050
Realised gains and losses of investments	-33,426	-50,536
Write up/down of all other investments	36,972	14,991
Changes in provisions for pension, severance pay, and other personnel expenses	-52,103	-42,723
Changes in deferred tax assets/liabilities, excl. tax provisions	-1,684	349
Changes in other balance sheet items	-57,847	-8,636
Changes in goodwill and intangible assets	3,942	5,496
Other income and expenses affecting cash flow, and adjustments to net income for the period	-145,338	15,441
<b>Cash Flow from operating activities</b>	<b>164,614</b>	<b>414,239</b>
Cash proceeds from the sale of affiliated and associated companies	15,989	7,359
Payments for the acquisition of affiliated and associated companies	-25,330	-21,062
Cash proceeds from the sale of other ownership interests	1,833	156
Payments for the acquisition of other ownership interests	-4,242	-8,609
Cash proceeds from the sale of available for sale securities	862,250	516,674
Payments for the acquisition of available for sale securities	-1,015,736	-837,572
Cash proceeds from the sale of securities held to maturity	1,817	17,326
Payments for the acquisition of securities held to maturity	-86,204	-19,956
Cash proceeds from the sale of land and buildings	3,827	37,631
Payments for the acquisition of land and buildings	-37,878	-30,532
Changes in unit- and index-linked life insurance items	-80,189	-131,249
Changes in other investments	-19,860	11,506
<b>Cash Flow from investing activities</b>	<b>-383,723</b>	<b>-458,328</b>
Increase in subordinated liabilities	516	-3,249
Dividend payments	-580	-570
Cash proceeds from and payments for other financing activities	186,563	5,162
<b>Cash Flow from financing activities</b>	<b>186,499</b>	<b>1,343</b>
<b>Net change in cash and cash equivalents</b>	<b>-32,610</b>	<b>-42,746</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>277,700</b>	<b>226,443</b>
<b>Cash and cash equivalents at end of period</b>	<b>273,483</b>	<b>190,884</b>
<i>Including non-profit housing development corporations</i>	<i>53,128</i>	<i>14,395</i>
<b>Change in scope of consolidation</b>	<b>23,685</b>	<b>7,364</b>
<b>Foreign exchange differences in cash and cash equivalents</b>	<b>4,708</b>	<b>-177</b>
<b>Additional information</b>		
Interest received	174,507	198,298
Dividends received	12,823	20,198
Interest paid	25,746	30,969
Dividends paid	580	205
Income taxes paid	14,647	10,672

## SEGMENT REPORTING

### CONSOLIDATED BALANCE SHEET BY PRIMARY SEGMENTS (LINES OF BUSINESS)

ASSETS	Property/Casualty		Life		Health		Total	
	31.03.08	31.12.07	31.03.08	31.12.07	31.03.08	31.12.07	31.03.08	31.12.07
in EUR '000								
<b>A. Intangible assets</b>	835,268	493,996	22,728	23,519	6,985	6,990	864,981	524,505
<b>B. Investments</b>	3,070,954	3,253,425	16,263,344	16,047,231	765,039	870,733	20,099,337	20,171,389
<b>C. Investments of unit- and index-linked life insurance</b>	0	0	2,942,791	3,065,985	0	0	2,942,791	3,065,985
<b>D. Reinsurers' share of underwriting provisions</b>	1,124,930	952,499	237,202	232,078	2,120	2,087	1,364,252	1,186,664
<b>E. Receivables</b>	1,119,504	759,713	471,162	420,574	14,638	19,996	1,605,304	1,200,283
<b>G. Other assets</b>	196,908	191,071	90,676	91,504	1,827	2,111	289,411	284,686
<b>H. Cash and cash equivalents</b>	128,608	159,522	141,126	111,800	3,749	6,378	273,483	277,700
<b>Subtotal</b>	<b>6,476,172</b>	<b>5,810,226</b>	<b>20,169,029</b>	<b>19,992,691</b>	<b>794,358</b>	<b>908,295</b>	<b>27,439,559</b>	<b>26,711,212</b>
Consolidated deferred tax assets							48,252	33,861
<b>Total ASSETS</b>							<b>27,487,811</b>	<b>26,745,073</b>

### LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES AND SHAREHOLDERS' EQUITY	Property/Casualty		Life		Health		Total	
	31.03.08	31.12.07	31.03.08	31.12.07	31.03.08	31.12.07	31.03.08	31.12.07
in EUR '000								
<b>B. Subordinated liabilities</b>	191,086	190,751	252,340	252,159	0	0	443,426	442,910
<b>C. Underwriting provisions</b>	4,379,032	3,738,667	12,787,384	12,585,461	784,283	768,001	17,950,699	17,092,129
<b>D. Underwriting provisions of unit- and index-linked insurance</b>	0	0	2,870,192	2,948,522	0	0	2,870,192	2,948,522
<b>E. Non-underwriting provisions</b>	408,951	449,832	265,383	300,365	38,661	44,605	712,995	794,802
<b>F. Liabilities</b>	597,732	605,458	1,935,061	1,861,729	139,438	221,487	2,672,231	2,688,674
<b>H. Other liabilities</b>	74,149	75,701	5,467	5,755	69	252	79,685	81,708
<b>Subtotal</b>	<b>5,650,950</b>	<b>5,060,409</b>	<b>18,115,827</b>	<b>17,953,991</b>	<b>962,451</b>	<b>1,034,345</b>	<b>24,729,228</b>	<b>24,048,745</b>
Consolidated deferred tax liabilities							79,839	80,765
Consolidated shareholders' equity							2,678,744	2,615,563
<b>Total LIABILITIES AND SHAREHOLDERS' EQUITY</b>							<b>27,487,811</b>	<b>26,745,073</b>

CONSOLIDATED INCOME STATEMENT BY SEGMENT

LINES OF BUSINESS	Property/Casualty		Life		Health		Total	
	1.1.–31.3.08	1.1.–31.3.07	1.1.–31.3.08	1.1.–31.3.07	1.1.–31.3.08	1.1.–31.3.07	1.1.–31.3.08	1.1.–31.3.07
<b>in EUR '000</b>								
Premiums written – Gross	1,382,580	1,185,276	846,987	753,167	81,683	79,929	<b>2,311,250</b>	<b>2,018,372</b>
Net earned premiums	841,941	667,347	816,819	720,584	78,048	76,416	<b>1,736,808</b>	<b>1,464,347</b>
Net investment income, incl. affiliated and associated companies	23,797	33,077	154,803	168,087	-3,020	4,157	<b>175,580</b>	<b>205,321</b>
Other income	7,680	4,453	9,778	4,418	0	0	<b>17,458</b>	<b>8,871</b>
Claims and insurance benefits	-538,366	-422,638	-758,365	-699,033	-62,378	-63,074	<b>-1,359,109</b>	<b>-1,184,745</b>
Operating expenses	-235,290	-195,130	-145,353	-141,740	-10,951	-10,794	<b>-391,594</b>	<b>-347,664</b>
Other expenses	-38,578	-30,633	-15,429	-14,542	-291	-226	<b>-54,298</b>	<b>-45,401</b>
<b>Profit before taxes</b>	<b>61,184</b>	<b>56,476</b>	<b>62,253</b>	<b>37,774</b>	<b>1,408</b>	<b>6,479</b>	<b>124,845</b>	<b>100,729</b>

REGIONS	Austria		Czech Republic		Slovakia		Poland	
	1.1.–31.3.08	1.1.–31.3.07	1.1.–31.3.08	1.1.–31.3.07	1.1.–31.3.08	1.1.–31.3.07	1.1.–31.3.08	1.1.–31.3.07
<b>in EUR '000</b>								
Premiums written – Gross	1,215,812	1,196,259	359,672	312,593	161,310	141,350	174,040	121,412
Net earned premiums	895,654	869,653	268,345	219,655	122,649	93,893	157,448	104,269
Net investment income, not incl. affiliated and associated companies	132,044	166,792	5,920	11,990	4,761	5,834	2,603	5,407
Other income	4,778	1,453	3,317	3,010	706	525	4,091	958
Claims and insurance benefits	-808,777	-800,129	-183,433	-155,913	-80,830	-55,823	-82,662	-50,005
Operating expenses	-152,203	-163,281	-60,336	-50,052	-25,715	-22,643	-69,386	-54,229
Other expenses	-11,461	-12,357	-13,715	-10,929	-10,806	-11,815	-4,751	-2,814
Result from shares in affiliated and associated companies	16,015	358	455	581	0	0	0	0
<b>Profit before taxes</b>	<b>76,050</b>	<b>62,489</b>	<b>20,553</b>	<b>18,342</b>	<b>10,765</b>	<b>9,971</b>	<b>7,343</b>	<b>3,586</b>

	Romania		Other CEE		Other markets		Total	
	1.1.–31.3.08	1.1.–31.3.07	1.1.–31.3.08	1.1.–31.3.07	1.1.–31.3.08	1.1.–31.3.07	1.1.–31.3.08	1.1.–31.3.07
<b>in EUR '000</b>								
Premiums written – Gross	200,863	106,227	124,289	69,948	75,264	70,583	<b>2,311,250</b>	<b>2,018,372</b>
Net earned premiums	136,438	62,753	90,520	52,126	65,754	61,998	<b>1,736,808</b>	<b>1,464,347</b>
Net investment income, not incl. affiliated and associated companies	6,222	2,744	4,109	7,434	3,451	4,181	<b>159,110</b>	<b>204,382</b>
Other income	717	206	3,154	1,412	695	1,307	<b>17,458</b>	<b>8,871</b>
Claims and insurance benefits	-92,044	-32,843	-59,439	-36,965	-51,924	-53,067	<b>-1,359,109</b>	<b>-1,184,745</b>
Operating expenses	-45,746	-30,643	-31,616	-20,126	-6,592	-6,690	<b>-391,594</b>	<b>-347,664</b>
Other expenses	-2,884	-885	-4,072	-2,149	-6,609	-4,452	<b>-54,298</b>	<b>-45,401</b>
Result from shares in affiliated and associated companies	0	0	0	0	0	0	<b>16,470</b>	<b>939</b>
<b>Profit before taxes</b>	<b>2,703</b>	<b>1,332</b>	<b>2,656</b>	<b>1,732</b>	<b>4,775</b>	<b>3,277</b>	<b>124,845</b>	<b>100,729</b>

## EXPLANATIONS OF THE CONSOLIDATED INTERIM STATEMENT ENDED MARCH 31, 2007

### Accounting Principles

This consolidated interim financial report was prepared in accordance with International Financial Reporting Standards (IFRS), and complies with IAS 34 "Interim Financial Reporting."

### Information on seasonal and economic factors

Seasonal fluctuations within the Vienna Insurance Group appeared mainly in the areas of premiums, losses and financial results. Based on the high number of inception dates in January, the first quarter has traditionally been the strongest in premiums over the course of the year. In the loss area as well, the first quarter (or first six months, as the case may be) is usually characterized by higher expenses – in particular, due to adverse weather conditions (snow, melting snow, storms and floods). In the context of financial results, a major portion of dividend payments comes during the second quarter, while distributions by investment funds pick up strongly during the fourth quarter. The persistent rise in interest rates during the current fiscal year led to a price decline in the Vienna Insurance Group's fixed income securities area. Due to its conservative investment guidelines and strict limit system, the Vienna Insurance Group was early to recognise and avoid the excessively high risk of poor quality mortgage-backed securities and their derivatives.

### Estimates

Preparation of a consolidated interim statement under IFRS requires discretionary judgments to be made and forecasts established regarding those future developments that can have a material influence on estimates and values of assets and liabilities, as well as on income and expenses, over the course of the fiscal year. The estimates relate in particular to underwriting provisions. In the current reporting period, no substantial changes have been made in the system for determining these estimates.

### Business events with closely-related persons and companies

This primarily refers to intracompany reinsurance relationships of a subordinate volume as well as to

financing on market terms, particularly in the area of real property and billing for services. Even so, these have no material effects on business results. The members of the managing board and of the supervisory board were not granted any loans or liabilities during the reporting period.

### Information relating to changes in scope of consolidation

In 1<sup>st</sup> quarter 2008, the Romanian insurer SC Asigurarea Romaneasca Asirom S.A. was fully consolidated for the first time. That same quarter also saw the deconsolidation of DBR Friedrichscarrée GmbH & Co KG and DBR Friedrichscarée Liegenschaften-Verwaltungs GmbH.

Relative to 1<sup>st</sup> quarter 2007, Ukrainian insurers STDV Globus, CJSC Life Insurance Jupiter VIENNA INSURANCE GROUP and CJS UIC Kniazha were fully consolidated, while Turkish company Ray Sigorta was consolidated on a proportional basis into the Group's financial statements. Moreover, compared to 1<sup>st</sup> quarter 2007, three non-profit housing development companies were also included within the Vienna Insurance Group's scope of consolidation: GIWOG Gemeinnützige Industrie-Wohnungs-AG, Leonding, GEMYSAG Gemeinnützige Mürz-Ybbs-Siedlungsanlagen-GmbH, Kapfenberg and "Schwarzatal" Gemeinnützige Wohnungs- und Siedlungsanlagen GmbH, Vienna.

### Type and Extent of Business Transactions unusual with regard to type, amount or frequency

Storm damages caused by Hurricanes "Emma" and "Paula" during the 1<sup>st</sup> quarter 2008 (gross claims approximately EUR 60 million – net loss approximately EUR 20 million)

### Changes in contingent liabilities and receivables

Compared to the 1<sup>st</sup> quarter 2007, no change took place in this area during the reporting period just ended.



INFORMATION TO CONSOLIDATED INCOME STATEMENT

**GROSS PREMIUMS WRITTEN**

**Property/casualty insurance**

	1.1.–31.3.08	1.1.–31.3.07
<b>in EUR '000</b>		
Direct business		
Insurance for business interruption following fire	175,519	173,310
Household insurance	57,491	49,191
Other non-life insurance	135,764	99,978
Motor vehicle liability insurance	405,550	348,503
Other motor vehicle insurance	286,381	205,181
Casualty insurance	71,820	67,634
Liability insurance	120,969	106,856
Legal expenses insurance	13,228	12,903
Marine, aviation, and transport insurance	21,904	16,562
Credit and guarantee insurance	10,284	11,817
Other insurance	65,476	69,929
<b>Subtotal</b>	<b>1,364,386</b>	<b>1,161,864</b>
Indirect business		
Marine, aviation, and transport insurance	183	868
Other insurance	18,011	22,544
<b>Subtotal</b>	<b>18,194</b>	<b>23,412</b>
<b>Total</b>	<b>1,382,580</b>	<b>1,185,276</b>

**PREMIUMS WRITTEN**

**Direct life insurance business**

	1.1.–31.3.08	1.1.–31.3.07
<b>in EUR '000</b>		
Regular premium policies	473,936	466,787
Single premium policies	371,679	278,375
<b>Total direct life premiums written</b>	<b>845,615</b>	<b>745,162</b>
<i>of which:</i>		
Policies with profit participation	482,538	448,688
Policies without profit participation	119,529	121,027
Policies of unit- and index-linked life insurance.	243,548	175,447
<i>of which:</i>		
Individual policies	721,052	648,184
Group policies	124,563	96,978



**FINANCIAL RESULT (not incl. affiliated and associated companies)**

Detail – income	Property/Casualty		Life		Health		Total	
	1.1.–31.3.08	1.1.–31.3.07	1.1.–31.3.08	1.1.–31.3.07	1.1.–31.3.08	1.1.–31.3.07	1.1.–31.3.08	1.1.–31.3.07
<b>in EUR '000</b>								
Current income	40,667	52,146	207,335	142,504	5,304	4,006	253,306	198,656
Income from write-ups	2,063	4,618	10,076	10,358	4,956	556	17,095	15,532
Income from the disposal of investments	4,340	8,573	71,870	38,089	503	7,358	76,713	54,020
<b>Total</b>	<b>47,070</b>	<b>65,337</b>	<b>289,281</b>	<b>190,951</b>	<b>10,763</b>	<b>11,920</b>	<b>347,114</b>	<b>268,208</b>

Detail – expenses	Property/Casualty		Life		Health		Total	
	1.1.–31.3.08	1.1.–31.3.07	1.1.–31.3.08	1.1.–31.3.07	1.1.–31.3.08	1.1.–31.3.07	1.1.–31.3.08	1.1.–31.3.07
<b>in EUR '000</b>								
Depreciation on investments	8,984	11,730	41,863	10,770	8,142	2,207	58,989	24,707
Impairment of investments	1,543	189	18,243	15	166	0	19,952	204
Exchange rate	-612	-349	-514	387	-2	-7	-1,128	31
Losses from the disposal of investments	3,841	339	52,874	3,118	3,419	348	60,134	3,805
Interest expenses	6,641	10,137	17,647	5,563	1,312	1,651	25,600	17,351
Other expenses	3,543	10,979	20,432	3,458	482	3,291	24,457	17,728
<b>Total</b>	<b>23,940</b>	<b>33,025</b>	<b>150,545</b>	<b>23,311</b>	<b>13,519</b>	<b>7,490</b>	<b>188,004</b>	<b>63,826</b>

**EXPENSES FOR CLAIMS AND INSURANCE BENEFITS**

Detail	Gross		Ceded to reinsurers		Retained	
	1.1.–31.3.08	1.1.–31.3.07	1.1.–31.3.08	1.1.–31.3.07	1.1.–31.3.08	1.1.–31.3.07
<b>in EUR '000</b>						
<b>Property/casualty insurance</b>						
Expenses for insurance claims						
Claims and benefits	562,759	474,708	-109,415	-100,350	453,344	374,358
Changes in provisions for outstanding claims	100,037	94,176	-21,831	-51,984	78,206	42,192
<b>SUBTOTAL</b>	<b>662,796</b>	<b>568,884</b>	<b>-131,246</b>	<b>-152,334</b>	<b>531,550</b>	<b>416,550</b>
Change in mathematical reserve	-3	-7	0	3	-3	-4
Change in other underwriting provisions	530	634	-378	-49	152	585
Expenses for the refund of premiums not dependent on profit	6,962	6,320	-295	-813	6,667	5,507
<b>TOTAL EXPENSES</b>	<b>670,285</b>	<b>575,831</b>	<b>-131,919</b>	<b>-153,193</b>	<b>538,366</b>	<b>422,638</b>
<b>Life insurance</b>						
Expenses for insurance benefits						
Claims and benefits	412,578	317,841	-9,783	-9,036	402,795	308,805
Changes in provisions for outstanding claims	7,197	13,300	838	554	8,035	13,854
<b>SUBTOTAL</b>	<b>419,775</b>	<b>331,141</b>	<b>-8,945</b>	<b>-8,482</b>	<b>410,830</b>	<b>322,659</b>
Change in mathematical reserve	311,137	339,761	-7,132	-14,918	304,005	324,843
Change in other underwriting provisions	-155	-56	0	0	-155	-56
Expenses for the refund of premiums dependent to and not dependent on profit	43,685	51,587	0	0	43,685	51,587
<b>TOTAL EXPENSES</b>	<b>774,442</b>	<b>722,433</b>	<b>-16,077</b>	<b>-23,400</b>	<b>758,365</b>	<b>699,033</b>
<b>Health insurance</b>						
Expenses for insurance claims						
Claims and benefits	49,572	48,660	-220	-177	49,352	48,483
Changes in provisions for outstanding claims	309	549	-16	2	293	551
<b>SUBTOTAL</b>	<b>49,881</b>	<b>49,209</b>	<b>-236</b>	<b>-175</b>	<b>49,645</b>	<b>49,034</b>
Change in mathematical reserve	10,008	11,251	-17	-7	9,991	11,244
Expenses for the refund of premiums not dependent on profit	2,742	2,796	0	0	2,742	2,796
<b>TOTAL EXPENSES</b>	<b>62,631</b>	<b>63,256</b>	<b>-253</b>	<b>-182</b>	<b>62,378</b>	<b>63,074</b>
<b>TOTAL</b>	<b>1,507,358</b>	<b>1,361,520</b>	<b>-148,249</b>	<b>-176,775</b>	<b>1,359,109</b>	<b>1,184,745</b>

**OTHER INFORMATION**

**EMPLOYEE STATISTICS**

	<b>31.03.08</b>	<b>31.12.07</b>
Austria	6,107	6,138
Field sales representatives	2,835	2,845
Office employees	3,272	3,293
Outside Austria	16,726	14,169
Field sales representatives	8,650	7,614
Office employees	8,076	6,555
<b>Total</b>	<b>22,833</b>	<b>20,307</b>

**DECLARATION BY THE MANAGING BOARD**

The Managing Board hereby declares that the consolidated financial statements, prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU, give a true and fair view of the net assets, financial position and results of operations of WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP and all companies included in the consolidation.

The board further declares that the consolidated interim report presents the course of business and the business results in such a way as to yield as true a presentation as possible of the assets, financial position and operating results of the WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP as well as of the companies included within the scope of consolidation and that such report describes the material risks and uncertainties to which the business is exposed. The carrying out of an audit, or an auditor review, of the interim report has been dispensed with.

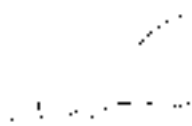
Managing Board of the Group:



**Günter Geyer**



**Karl Fink**



**Rudolf Ertl**



**Peter Hagen**



**Robert Lasshofer**



**Martin Simhandl**

Vienna, 16 May 2008



## **MEDIA PUBLISHER AND OWNER**

WIENER STÄDTISCHE Versicherung AG  
VIENNA INSURANCE GROUP  
Company register: 75687 f.  
Data Processing Register code (DVR No.): 0016705  
Internet: [www.viennainsurancegroup.com](http://www.viennainsurancegroup.com)

Editorial deadline: 16 May 2008

This interim report can be downloaded as a PDF-file in German or English language from our website at:  
[www.viennainsurancegroup.com/ir](http://www.viennainsurancegroup.com/ir) > Downloads

## **ADDRESS**

WIENER STÄDTISCHE Versicherung AG  
VIENNA INSURANCE GROUP  
Investor Relations  
Thomas Schmee  
Schottenring 30, 1010 Vienna  
Tel. +43 (0)50 350-21919  
Fax +43 (0)50 350 99-21919  
E-Mail: [investor.relations@staedtische.co.at](mailto:investor.relations@staedtische.co.at)

It goes without saying that all references in the text refer to men and women equally and without discrimination.

In cases of doubt, the German version is authoritative.