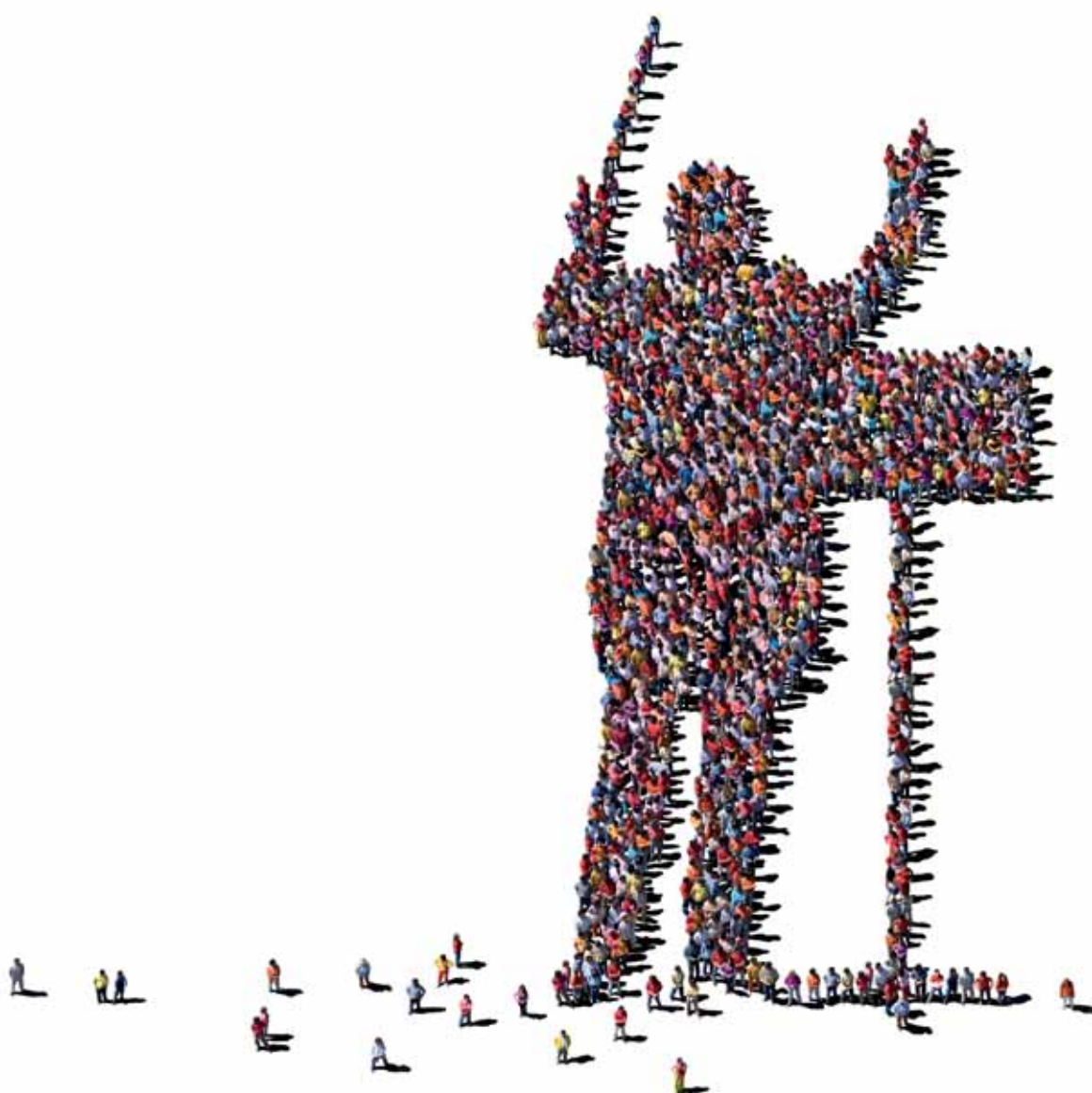


**HALF YEAR FINANCIAL REPORT
VIENNA INSURANCE GROUP**

1st HALF 2008

Perfect timing



LETTER FROM THE CHAIRMAN

LETTER FROM THE CHAIRMAN OF THE MANAGING BOARD

**Dear Shareholders,
Ladies and Gentlemen,**

In the previous interim report for the current financial year, I reported to you on the success of our EUR 1.1 billion capital increase. I am all the more delighted to inform you of another exceptional success of the Vienna Insurance Group and the Austrian capital market. In June, the Vienna Insurance Group issued a EUR 250 million hybrid bond at an attractive interest rate, with a significant tranche reserved for Austrian retail investors. Due to enormous demand, the bond issue sold out completely about 3 hours after being made available at bank counters. This allowed the Vienna Insurance Group to provide further proof of the attractiveness of its business model to the capital market.



*Günter Geyer,
General Manager*

We have also made great strides in processing the transaction of the Sparkasse Versicherung and the other insurance activities we are acquiring from our business partner, Erste Group. The EU Commission has already given its approval for the takeover. And, in the individual markets in which we will be operating together with Erste Group, we are close to concluding the cooperation agreements needed for that purpose.

We can also point with pride to our 2008 six-month results. Growth of more than 20% has pushed our premium volume past the EUR 4 billion mark for the first time at this point in the year, and increased our profit before taxes by one third to EUR 288 million. As a result, our profit before taxes at the half-year mark already significantly exceeds the profit before taxes for all of financial year 2005.

This good performance by the Group allows us to look forward with optimism, even in economically difficult times. We are therefore also highly confident that we will reach this year's profit target of at least EUR 540 million (profit before taxes). This will allow the Vienna Insurance Group to move forward again with increased strength from the financial year 2008.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Geyer'.

Günter Geyer



VIENNA INSURANCE GROUP CLEARLY RUNNING AGAINST THE TREND: 2008 PROFIT TARGET MORE THAN CONFIRMED

- Profit before taxes in the 1st half year up 34% to EUR 288 million
- Profit in CEE region rises by 78%
- Record growth in Group premiums: EUR 4 billion mark for premiums already surpassed
- Double-digit growth in all CEE core markets

MANAGEMENT REPORT

With consolidated premiums written (excluding other insurance participations) totalling EUR 4.22 billion, the Vienna Insurance Group achieved outstanding year-on-year growth of 20.7% in the 1st half of 2008.

The company was also able to increase Group profit before taxes by a significant 33.9%, to a total of EUR 288.34 million, which is about EUR 73 million up from the total for the prior year.

Despite the damage incurred by the storms "Paula" and "Emma", the Group's Combined Ratio after reinsurance (not taking investment income into account) remained stable at 95.9% as compared to 96.0% for the previous year.

Financial results in the 1st half of the current year totalled EUR 618.69 million, a gain of 11.8% as compared with the same period in 2007. The deconsolidation of insurers BA-CA Versicherung and Unita, which are in the process of being sold, led to their elimination from the balance sheet and thus to a 10.3% decrease in the investments of the Group from the volume on 31 December 2007 to a volume of EUR 20.84 billion.

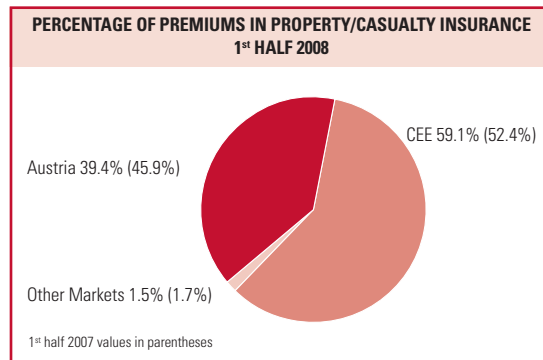
BUSINESS DEVELOPMENT OF THE GROUP BY CLASS

In the first six months of the current year, the Vienna Insurance Group was able to achieve double-digit growth in both the property/casualty as well as in the life segments. Overall premium growth in the double-digit range was achieved in all core markets in the CEE region.

Property/casualty insurance

In the property and casualty insurance segment, a total of EUR 2.40 billion in premiums written were generated in the 1st half of 2008. Compared to the same period of the prior year, premiums were thus increased by an excellent 21.6%.

The increase in premium volume achieved in the CEE markets was even more impressive. In this area, the Group companies were able to generate growth of 37.2%, with premiums written of EUR 1.42 billion. The share of total property and casualty premiums contributed by Group companies in the CEE region is thus already equal to 59.1%.



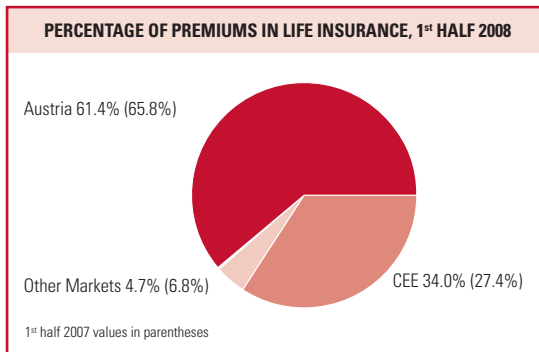
In non-CEE countries (Austria, Germany, Liechtenstein), premiums in this segment totalled EUR 983.36 million (+4.5%). In Austria, Group companies generated premiums of EUR 947.74 million, or 4.5% growth. In Other Markets (Germany), premiums written rose 5.8% to EUR 35.62 million.

Life insurance

In the life insurance segment, the Vienna Insurance Group achieved overall premiums written of EUR 1.65 billion. This represents an excellent increase of 21.4% over the prior-year period (excluding insurance companies of the Erste Group).

The Group companies of the Vienna Insurance Group in the CEE region were particularly successful in this segment. With premium volume of EUR 561.65 million, they were able to achieve an outstanding increase in premiums of 50.5%.

The share of premiums in this segment accounted for by Group companies in the CEE region is already equal to about 34%, while it was still at about 27% in the first six months of the prior year.



In non-CEE countries, premiums written in the life insurance segment came in at EUR 1.09 billion. This corresponds to an increase of 10.4%. Austria generated EUR 1.01 billion of this amount (+13.3%) and Other Markets contributed EUR 77.07 million. The 17.3% decrease in premium volume is due to the natural volatility of the single-premium business.

Health insurance

In the health insurance segment, the Vienna Insurance Group recorded premiums written of EUR 158.19 million, an increase of 2.1%. As one of the leading health insurers, WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP in Austria is the only Group company selling a sizeable volume of health insurance products.

BUSINESS DEVELOPMENT OF THE GROUP BY REGION

In the first six months of the current year, premiums written in the CEE region were equal to EUR 1.98 billion, thus surpassing the prior-year value by 40.7%.

In non-CEE countries (Austria, Germany, Liechtenstein), the Group companies generated premiums of EUR 2.23 billion in the first six months of 2008, which represents a growth of 7.1%.

Austria

Vienna Insurance Group premiums written in the 1st half of 2008 amounted to EUR 2.12 billion (+8.3%).

Profit before taxes increased by 11.5% compared to the first six months of 2007 to EUR 154.53 million.

Czech Republic

Group companies in the Czech Republic achieved excellent market results in the 1st half of 2008, with premium volume totalling EUR 690.96 million, or a year-on-year jump of 19.7%.

Premiums written in the non-life segment came in at an amount of EUR 520.46 million, which represents a year-on-year growth in this segment of 17.7%. In the life segment, premiums written were even increased by 26.5% to EUR 170.50 million.

Profit before taxes rose by 31.2% to EUR 46.34 million.

Slovakia

In the 1st half of 2008, Group companies in Slovakia achieved a total of EUR 297.52 million in premiums written, growing 22.1% compared to the prior-year period. In the non-life segment, the premium volume amounted to EUR 175.53 million (+9.1%), while a premium volume of EUR 122.00 million, and thus an outstanding growth rate of 47.1%, was achieved in the life segment.

Profit before taxes equalled EUR 15.86 million. This result was affected by the establishment of a special provision for old claims in connection with the former state-owned monopolist insurance provider in the amount of approximately EUR 8 million.

Poland

In the 1st half of 2008, the Polish Group companies generated premiums written in the amount of EUR 393.93 million. This corresponds to an outstanding increase of 59.1%. This growth far in excess of the market average could be achieved in both the non-life segment, which recorded a premium volume of EUR 213.49 million or an increase of 36.7%, and in the life insurance segment, which recorded a premium volume of EUR 180.45 million and a 97.5% increase.

Profit before taxes for the first six months of the current year amounted to EUR 14.06 million. This is equal to an increase of 61.6%.

Romania

The Romanian Group companies of the Vienna Insurance Group achieved premiums written in the amount of EUR 360.52 million in the first six months of the current year, or an increase of 87.5% compared to the prior-year period. In the non-life segment, premiums written amounted to EUR 339.50 million (+83.6%), while premiums of EUR 21.02 million – an increase of 183.4% – were achieved in the life segment.

Due to the deconsolidation of Unita, profit before taxes rose to EUR 44.55 million (excluding the Erste Group's Romanian insurers).

Other CEE markets

The following countries are included in the 2008 1st half results of the Vienna Insurance Group companies in Other CEE markets: Bulgaria, Croatia, Serbia, Turkey, Ukraine and Hungary.

In these countries, premiums written in the first six months of 2008 came in at EUR 239.16 million. This corresponds to a growth rate of 61.8% over the same period of the prior year.

In the non-life segment, the insurance companies generated a premium volume of EUR 171.48 million or an increase of 88.0%.

In the life segment, premiums written came in at EUR 67.68 million. This corresponds to a gain of 19.6%.

Profit before taxes in the first six months of the current year amounted to EUR 4.29 million.

Other Markets

Group companies in Germany and Liechtenstein generated premiums totalling EUR 112.68 million in the 1st half of 2008.

Profit before taxes amounted to EUR 8.71 million (up 33.3%).

BUSINESS DEVELOPMENT OF THE GROUP IN THE 2ND QUARTER 2008

With consolidated premiums written (excluding other insurance participations) totalling EUR 1.90 billion, the Vienna Insurance Group, in the 2nd quarter of 2008, achieved an increase of 29.1% as compared to the same period of the previous year.

Financial results amounted to EUR 443.11 million in the 2nd quarter of 2008, up 27.4% compared to the prior year period. Claims and insurance benefits in the 2nd quarter of 2008 were equal to EUR 1,553.25 million and, at 25.7%, showed a smaller rise than premiums.

The Group's profits before taxes increased in the 2nd quarter of 2008 to a total of EUR 163.50 million. This corresponds to an excellent 42.6% gain as compared to the same period of the previous year.

Segment reporting by region

in million EUR	premiums written – gross		profit before taxes	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007
Austria	2,120.36	1,957.75	154.53	138.53
Czech Republic	690.96	577.12	46.34	35.32
Slovakia	297.52	243.76	15.86	17.64
Poland	393.93	247.56	14.06	8.70
Romania	360.52	192.32	44.55	4.22
Other CEE markets*	239.16	147.83	4.29	4.45
Other markets**	112.68	126.81	8.71	6.54
Total	4,215.14	3,493.14	288.34	215.40

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

** Other Markets: Germany, Liechtenstein

RISK REPORT

The Vienna Insurance Group's core competence is the professional management of risk. A risk management process is used to identify, analyse and assess, report, control and monitor these risks. This enables the Group's overall risk position to be managed systematically and comprehensively in a future-oriented and targeted manner. Given its commitment to this process and its existing capital strength, the Vienna Insurance Group is exceedingly well prepared for future solvency requirements.

Current Topics

The Vienna Insurance Group's risk budgeting method was enhanced in the 1st half of 2008. In connection with this year's capital increase, Standard & Poor's (S&P) confirmed the existing "A+" rating and upgraded its outlook from "stable" to "positive". To maintain this excellent rating and also to protect its profit targets from ordinary activities, the Strategic Securities Committee of the Vienna Insurance Group, at the recommendation of the investment risk management area, decided on new securities risk capital budgets. Controlled asset management results in the optimum balance of risk and financial return targets.

Investment risk in the life insurance segment was the predominant issue in the 1st half of 2008. Other risks moved within the range set by risk guidelines. Investment, underwriting and business risks are the central components of the Group's risk profile, which is the subject of ongoing monitoring and reporting by the Central Risk Committee. As in the last few years, efforts continue to achieve a progressive improvement in the overall risk situation.

CURRENT VIENNA INSURANCE GROUP TOPICS

- **Vienna Insurance Group – Issuance of a EUR 250 million hybrid bond**
- **Vienna Insurance Group – European Commission approves Erste Group transaction**
- **Vienna Insurance Group – Kids Camp 08**
- **Czech Republic – VIG RE zajišťovna, a.s. starts business activity**
- **Romania – Sale of Unita Vienna Insurance Group**
- **Turkey – Foundation of a life insurance company**

Vienna Insurance Group – Issuance of a EUR 250 million hybrid bond

In June of 2008, the Vienna Insurance Group issued a hybrid bond with an issue size of EUR 250 million. Proceeds of the bond are used for general funding purposes, to continue to strengthen equity capital and to finance acquisitions in Central and Eastern Europe. Through this issuance, the Vienna Insurance Group achieved increased flexibility for additional growth.

The terms of the bond offer were determined in a book-building process due to demand on the basis of current market conditions. Following the determination of the terms, private investors in Austria had the opportunity to subscribe to bonds (in the period from 2 – 4 June 2008), which produced enormous interest. The issue was managed by Erste Bank der oesterreichischen Sparkassen AG acting as lead manager.

Vienna Insurance Group – European Commission approves transaction Erste Group

On 17 June 2008, the European Commission gave its approval, on competitive grounds, to the acquisition, of all insurance activities of the Erste Group by the Vienna Insurance Group as announced earlier this year.

This approval was granted without an in-depth investigation.

The planned transaction will not only make the Vienna Insurance Group the Number 1 insurer among insurance companies in the CEE region but is also likely to add significant strength to the life insurance business through the acquisition of the life insurance companies as well as through the access to Erste Group's bank distribution network.

Vienna Insurance Group – Kids Camp 08

From 2 – 17 August 2008, around 480 children of Vienna Insurance Group employees from throughout Central and Eastern Europe were guests at the VIG Kids Camp 08 in Austria. At the Kids Camp 08 in Strebersdorf on the outskirts of Vienna and in Bad Goisern in the Salzkammergut, the children were able to enjoy a wealth of experiences, forge cross-border friendship and get to know Austria, where the Vienna Insurance Group is headquartered. The participants in the international holiday camp were selected in a drawing competition.

By its hosting of the second Kids Camp, Vienna Insurance Group is underscoring both its idea of family in the CEE



region as well as its intentional commitment to social responsibility. The Group works actively on international commitments in many areas to promote the positive development of children and youth. The Kids Camp 08 offered children from Central and Eastern Europe exciting experiences in an international setting and cross-border contacts with other cultures and languages.

For its project Kids Camp 07, the Vienna Insurance Group was honoured with the "Crossing Cultures Award" at this year's Eastern Europe Mediamix Festival, which was held from 4 – 8 June 2008 on the Black Sea in Bulgaria.

VIG Kids replant a forest

A special highlight this year was the tree-planting that took place on 14 August 2008 in Bad Goisern. On the approximately two hectares of the Kain/Mittermoos area, the nearly 200 children attending the mountain camp from all over Central and Eastern Europe planted the "Vienna Insurance Group Kids Forest" of approximately 200 spruce saplings and 200 larch saplings. This part of the existing forest had been destroyed by storm "Kyrill" in January of 2007. The "VIG Kids" thus made an important contribution to active environmental protection and ensured that a forest area would be recreated. The effects of the reforestation are of great significance to the environment, contributing, among other things, to the reduction of soil erosion by wind and water and to preserving the fertility of surrounding agricultural lands.

Czech Republic – VIG RE zajišťovna, a.s. starts business activity

Effective 8 August 2008, the Czech National Bank granted the Vienna Insurance Group a licence to commence its reinsurance business through VIG RE zajišťovna, a.s. (VIG RE). The company is thus the first reinsurer with a Czech licence and starts its business operations. Funded with equity capital of EUR 100 million, a premium volume of approximately EUR 300 million is planned for 2011.

With the foundation of VIG RE, the Vienna Insurance Group is now in a position to offer its expertise throughout this region in the reinsurance area as well and thereby continues its consistent strategy of expansion in Central and Eastern Europe. As a regional reinsurer in the CEE region, VIG RE will offer special solutions for the often young insurance companies on these up-and-coming markets. It will offer reinsurance coverage for the property/casualty, life and health insurance segments. This will allow the Vienna Insurance Group to continue and establish itself as a CEE regional specialist and to become a contact, in its defined core markets. It will also be a contact and a partner for other insurance companies in the region, which will then be able to profit from the Group's many years of experience.

Romania – Sale of Unita Vienna Insurance Group

At the end of June 2008, the Vienna Insurance Group and UNIQA Group Austria signed a contract for the sale of 100% of the share capital of the Romanian non-life insurer Unita Vienna Insurance Group. The transaction is agreed, subject to all necessary official approvals. The plan is to close the intended transaction in the third quarter of the current year.

Turkey – Foundation of a life insurance company

The Vienna Insurance Group will be entering the Turkish life insurance market. The foundation of the life insurance company Ray Emeklilik by Ray Sigorta and TBIH, in which the Vienna Insurance Group is a majority shareholder, was decided in May 2008.

The setup of the new life insurance company will be implemented in stages in accordance with Turkish regulations. The newly formed company is expected to commence business operations in the course of the year 2009.



CAPITAL MARKET AND INVESTOR RELATIONS

CAPITAL MARKET

International Overview

High volatility continues in capital markets. This is primarily due to a loss of confidence and great uncertainty following continued write-downs by companies in the financial sector. In addition, the financial market crisis is now also spreading to the real economy. Such a situation normally requires monetary policy measures in the form of central bank interest rate reductions. However, since rising commodity and energy prices have created upward inflationary pressure, such measures have become highly unlikely in the foreseeable future.

Heavy price losses by mid-March were followed by the beginnings of a price recovery that continued until the beginning of May. This was primarily due to consistently positive and surprisingly solid corporate results for non-financial institutions. However, a subsequent weakening of confidence and deterioration of the economic environment led to another large drop in prices. The Dow Jones leading US index, for example, recorded an overall drop of 14.4% in the 1st half of the year. The European Eurostoxx 50 Index even fell by 23.8%. In contrast, Japan's Nikkei 225 Index recorded a loss of 11.9% and the Eastern European CECE Index, which is calculated in Euro, fell by 14.5%.

The Vienna Stock Exchange

The ATX leading Viennese index exhibited highly volatile price changes in the 1st half of the year, but performed clearly better than the European capital market. Over this time period, the Vienna Stock Exchange recorded a price decline of only 12.6%, as compared to a drop of 23.8% in the European benchmark index, the Eurostoxx 50. The strong positions that Austrian listed companies hold in Eastern Europe and the profit share that these companies earned there was one of the main reasons for this outperformance. This led to consistently excellent corporate results in spite of the negative economic environment in Western Europe.

After strong price drops at the beginning of the year, a period of recovery began in March, bringing the index to a high for the year of 4,532.10 points by mid-May. However, influenced by negative international indicators, prices fell strongly again starting at the end of May. The ATX lost more than 25% within a period of around two months, hitting a multi-year low of 3,386.82 points as at 15 July 2008. Afterwards the ATX slightly increased and closed with 3,515.92 points at the editorial deadline of this financial report on 14 August 2008.

INVESTOR RELATIONS

The most important events in the 2nd quarter of 2008 were the Vienna Insurance Group's capital increase, in which 23 million new shares were successfully placed, and the subsequent issuance of an 8% hybrid bond with a volume of EUR 250 million, which also successfully met with enormous demand. These measures strengthened the Vienna Insurance Group's capital resources and ensure both the financing of the announced acquisition of Erste Group's insurance activities as well as the Group's further growth in the CEE region.

Following extensive road show activity that continued into the month of May in connection with the two capital measures, in June the Vienna Insurance Group first took part in a road show in Zurich organised jointly by UniCredit and the Vienna Stock Exchange. In mid-June, the Company accepted the invitation of Euromobiliare S.I.M. to participate in its conference in Milan. At the Goldman Sachs European Financials Conference in Berlin, also in mid-June, management presented the Vienna Insurance Group to an international audience, responding at numerous individual meetings to investors' questions, which chiefly dealt with developments in the individual markets in which the Vienna Insurance Group is active in the CEE region, as well as with the future cooperation with Erste Group.

Moreover, at the end of June, the Vienna Insurance Group was present at the UBS Global Insurance Conference in London, which focussed on a comparison between insurance companies operating in geographically limited regions and insurers doing business globally. The Vienna Insurance Group took this occasion to present the Group's CEE focus and the special advantages from exploiting the enormous potential in this concentrated high growth region.

In addition to the capital increase, the road show programme continued in the United States with a "Missionary Roadshow" from 21 July to 23 July 2008. Together with a well-known Investor Relations agency, dates were scheduled in the American Midwest and South, and Investor Relations presented the Vienna Insurance Group to potential investors in those regions of the U.S. for the first time.

In the 2nd quarter, which was marked by turbulence in financial markets, many investment banks adjusted their price targets – normally set for a 12-month period – to move financial service providers downward. This was due to the expectation that no quick recovery would occur in this market environment. For the shares of the Vienna Insurance Group, this was reflected in a current average price target of EUR 60.00, corresponding to a

considerable potential price increase of around 40%. International investment bank Morgan Stanley even put the Vienna Insurance Group in its Top Pick List. On the whole, seven out of eleven analysts continue to issue buy recommendations for VIG shares. In contrast, only one analyst categorized the share as "Underperform".

Additional information can be found on our website www.vig.com/ir

VIENNA INSURANCE GROUP SHARES

Key figures for the shares in the 1st half 2008

Highest price	EUR 58.20
Lowest price	EUR 37.67
Price as of 30 June	EUR 41.94
Market capitalization (30 June)	EUR 5.37 billion
Dividend 2007	EUR 1.10
Average daily stock exchange trading volume	EUR 7.92 million*

*using single counting

Performance of VIG shares

Vienna Insurance Group shares were entirely unaffected by the negative market environment at the beginning of the year, and set a new all-time high of EUR 58.20 on 19 February 2008. This was followed by moderate share price performance consistent with the market. VIG shares continued their sideways movement during the second quarter. This development was all the more noteworthy as the capital increase carried out during this period had the effect of diluting earnings per share by around 22%. Vienna Insurance Group shares outperformed the ATX by around 15% after the 1st half of the year. The shares were trading at EUR 43.58 as at the 14 August reporting date.

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

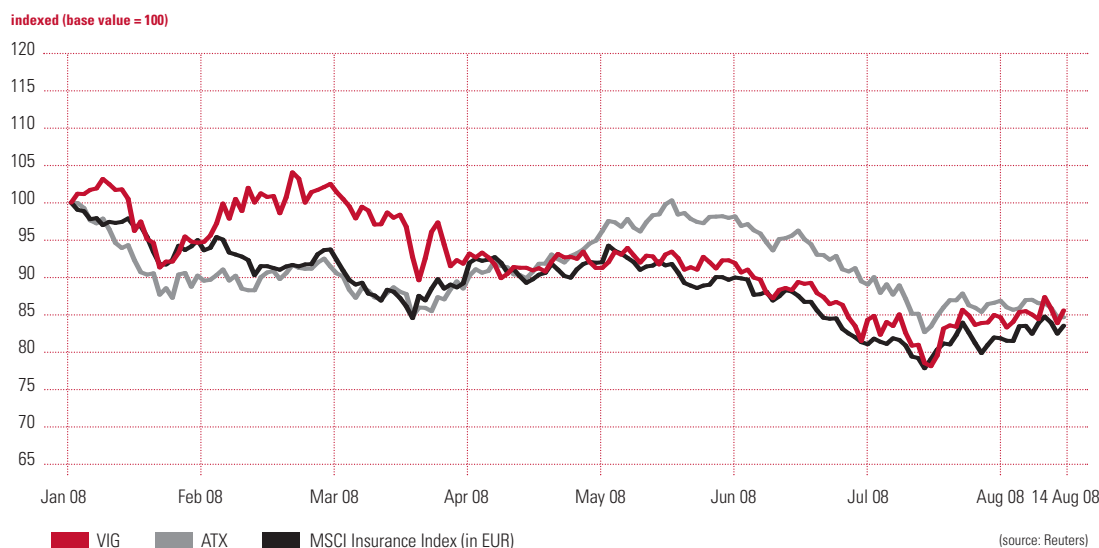
OUTLOOK

Despite the weakness of the capital markets, the Vienna Insurance Group continues to expect positive business developments for the 2008 financial year, such that the Group will achieve its anticipated earning target in the amount of EUR 540 million for 2008 with high probability.

The closing of the transaction, by which the Vienna Insurance Group will acquire an approximately 95% stake in Erste Group's life insurance subsidiaries and a 88.5% stake in BCR Asigurari Group, is expected to take place in the third quarter of 2008. The Austrian's Versicherung will already be included in the scope of consolidation of the Vienna Insurance Group on 1 July 2008.

The targets for 2011, aiming at consolidated profit before taxes of over EUR 1 billion and premiums of over EUR 12 billion, are also confirmed. The share of premiums coming from CEE countries is envisaged to grow to more than 50% of the total premium volume.

VIENNA INSURANCE GROUP (VIG) COMPARED TO THE ATX AND MSCI INSURANCE INDEX (IN EUR) 1 JANUARY – 14 AUGUST 2008



CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2008

ASSETS	30.6.2008	31.12.2007
in EUR '000		
A. Intangible assets		
I. Goodwill	647,260	422,300
II. Purchased insurance portfolios	31,797	30,629
III. Other intangible assets	169,015	71,576
Total intangible assets	848,072	524,505
B. Investments		
I. Land and buildings	2,939,432	2,868,725
II. Ownership interests *)	866,297	970,770
III. Financial investments	14,819,583	16,331,894
a) Loans and other investments	3,032,897	1,858,350
b) Other securities	11,786,686	14,473,544
Financial investments held to maturity	493,682	373,273
Financial investments available for sale	10,348,017	12,958,608
Trading assets **)	944,987	1,141,663
Total investments	18,625,312	20,171,389
C. Investments of unit- and index-linked life insurance	2,214,265	3,065,985
D. Reinsurers' share in underwriting provisions	1,087,613	1,186,664
E. Receivables	1,976,182	1,200,283
F. Deferred tax assets	82,754	33,861
G. Other assets	255,648	284,686
H. Cash and cash equivalents	359,308	277,700
Total ASSETS	25,449,154	26,745,073

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

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

LIABILITIES AND SHAREHOLDERS' EQUITY

30.6.2008

31.12.2007

in EUR '000

A. Shareholders' equity

I. Share capital	132,887	109,009
II. Other capital reserves	2,108,641	1,035,029
III. Capital reserves from hybrid bonds	245,588	0
IV. Retained earnings	1,236,751	1,057,693
V. Other reserves	116,424	136,374
VI. Minority interests	244,657	277,458
Total shareholders' equity	4,084,948	2,615,563

B. Subordinated liabilities

375,463 **442,910**

C. Underwriting provisions

I. Unearned premiums	1,304,498	960,354
II. Mathematical reserve	10,243,621	12,502,836
III. Provision for outstanding insurance claims	3,304,474	3,008,951
IV. Provision for profit-independent premium refunds	51,644	43,126
V. Provision for profit-dependent premium refunds	428,191	557,762
VI. Other underwriting provisions	19,788	19,100
Total underwriting provisions	15,352,216	17,092,129

D. Underwriting provisions of unit- and index-linked life insurance

2,134,321 **2,948,522**

E. Non-underwriting provisions

I. Provisions for pensions and similar obligations	323,856	404,618
II. Provision for taxes	83,702	126,029
III. Other provisions	296,448	264,155
Total non-underwriting provisions	704,006	794,802

F. Liabilities

2,585,244 **2,688,674**

G. Deferred tax liabilities

124,173 **80,765**

H. Other liabilities

88,783 **81,708**

Total LIABILITIES AND SHAREHOLDERS' EQUITY

25,449,154

26,745,073

CONSOLIDATED SHAREHOLDERS' EQUITY

	Share capital	Other capital reserves	Capital reserves from hybrid bonds*)	Retained earnings	Unrealised gains and losses	Currency translation and other reserves	Shareholders' equity before minority interest	Minority interests	Shareholders' equity
in EUR '000									
As of 1 January 2008	109,009	1,035,029	0	1,057,693	78,146	58,228	2,338,105	277,458	2,615,563
Exchange rate	0	0	0	0	0	53,216	53,216	2,120	55,336
Change in ownership interests	0	0	0	86,818	0	0	86,818	-47,548	39,270
Capital increase	23,878	1,073,612	245,588	0	0	0	1,343,078	0	1,343,078
Unrealised gains and losses from financial investments available for sale	0	0	0	0	-73,166	0	-73,166	-3,691	-76,857
Profit for the period	0	0	0	207,740	0	0	207,740	21,142	228,882
Dividend payment	0	0	0	-115,500	0	0	-115,500	-4,824	-120,324
As of 30 June 2008	132,887	2,108,641	245,588	1,236,751	4,980	111,444	3,840,291	244,657	4,084,948

	Share capital	Other capital reserves	Capital reserves from hybrid bonds*)	Retained earnings	Unrealised gains and losses	Currency translation and other reserves	Shareholders' equity before minority interest	Minority interests	Shareholders' equity
in EUR '000									
As of 1 January 2007	109,009	1,035,029	0	775,701	245,128	47,542	2,212,409	70,799	2,283,208
Exchange rate	0	0	0	0	0	-1,169	-1,169	-788	-1,957
Change in ownership interests	0	0	0	-2,058	0	0	-2,058	41,454	39,396
Unrealised gains and losses from financial investments available for sale	0	0	0	0	-70,159	0	-70,159	492	-69,667
Profit for the period	0	0	0	160,626	0	0	160,626	13,625	174,251
Dividend payment	0	0	0	-86,100	0	0	-86,100	-15,598	-101,698
As of 30 June 2007	109,009	1,035,029	0	848,169	174,969	46,373	2,213,549	109,984	2,323,533

*) The offsetting of the costs incurred for the capital measures which took place in the 2nd quarter of 2008 against the share premium is based on preliminary figures.

CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD FROM 1 JANUARY 2008 TO 30 JUNE 2008 (2007)

1.1.–30.6.2008

1.1.–30.6.2007

in EUR '000

Premiums

Premiums written – Gross

4,215,141

3,493,139

Premiums written – Reinsurers' share

–547,997

–512,626

Premiums written – Retention

3,667,144

2,980,513

Change due to provisions for premiums – Gross

–298,109

–252,107

Change due to provisions for premiums – Reinsurers' share

102,261

100,702

Net earned premiums

3,471,296

2,829,108

Financial Result including results of affiliated and associated companies

Investment income

1,033,691

705,827

Investment and interest expenses

–415,002

–152,635

Total financial result including results of affiliated and associated companies

618,689

553,192

Other income

30,669

20,652

Claims and insurance benefits

Expenses for claims and insurance benefits – Gross

–3,201,390

–2,691,526

Expenses for claims and insurance benefits – Reinsurers' share

289,032

270,939

Total expenses for claims and insurance benefits

–2,912,358

–2,420,587

Operating expenses

Commission and other acquisition expenses

–700,423

–603,757

Administrative expenses

–196,249

–164,119

Reinsurance commissions

96,776

90,465

Total operating expenses

–799,896

–677,411

Other expenses

–120,058

–89,555

Profit before taxes

288,342

215,399

Tax expenses

–59,460

–41,148

Profit for the period

228,882

174,251

Attributable to Vienna Insurance Group shareholders

207,740

160,626

Minority interests in profit for the period

21,142

13,625

Earnings per Share (annualised)

basic = diluted earnings per share (in EUR)

3,72

3,06

CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD FROM 1 APRIL 2008 TO 30 JUNE 2008 (2007)

1.4.–30.6.2008

1.4.–30.6.2007

in EUR '000

Premiums

Premiums written – Gross

1,903,891

1,474,767

Premiums written – Reinsurers' share

–207,944

–169,824

Premiums written – Retention

1,695,947

1,304,943

Change due to provisions for premiums – Gross

67,746

76,832

Change due to provisions for premiums – Reinsurers' share

–29,205

–17,014

Net earned premiums

1,734,488

1,364,761

Financial Result including results of affiliated and associated companies

Investment income

670,103

436,680

Investment and interest expenses

–226,994

–88,809

Total financial result including results of affiliated and associated companies

443,109

347,871

Other income

13,211

11,781

Claims and insurance benefits

Expenses for claims and insurance benefits – Gross

–1,694,032

–1,330,005

Expenses for claims and insurance benefits – Reinsurers' share

140,783

94,163

Total expenses for claims and insurance benefits

–1,553,249

–1,235,842

Operating Expenses

Commission and other acquisition expenses

–341,215

–281,214

Administrative expenses

–115,683

–89,581

Reinsurance commissions

48,596

41,048

Total operating expenses

–408,302

–329,747

Other expenses

–65,760

–44,154

Profit before taxes

163,497

114,670

Tax expenses

–33,483

–22,593

Profit for the period

130,014

92,077

Attributable to Vienna Insurance Group shareholders

116,328

84,650

Minority interests in profit for the period

13,686

7,427

Earnings per Share (annualised)

basic = diluted earnings per share (in EUR)

3,93

3,22

CONSOLIDATED CASH FLOW STATEMENT FROM 1 JANUARY 2008 TO 30 JUNE 2008 (2007)

	30.6.2008	30.6.2007
in EUR '000		
Profit for the period less minority interest	207,740	160,626
Minority interest	21,142	13,625
Profit for the period before minority interest	228,882	174,251
Net change in other underwriting provisions	1,503,048	1,121,489
Changes in underwriting receivables and payables	-293,929	-253,348
Changes in deposit receivables and payables, as well as in invoice receivables and payables	-6,804	27,294
Changes in other receivables and payables	-610,839	25,326
Changes in financial investments held for trading	119,664	-129,593
Realised gains and losses of investments	-335,247	-231,589
Write up/down of all other investments	87,255	29,266
Changes in provisions for pension, severance pay, and other personnel expenses	-72,358	-53,311
Changes in deferred tax assets/liabilities, excl. tax provisions	14,243	14,144
Changes in other balance sheet items	-8,581	-96,799
Changes in goodwill and intangible assets	2,197	-36,932
Other income and expenses affecting cash flow, and adjustments to net income for the period	-349,517	127,260
Cash Flow from operating activities	278,014	717,458
Cash proceeds from the sale of affiliated and associated companies	335,181	11,212
Payments for the acquisition of affiliated and associated companies	-161,696	-32,021
Cash proceeds from the sale of other ownership interests	15,206	9,886
Payments for the acquisition of other ownership interests	-30,845	-55,481
Cash proceeds from the sale of available for sale securities	2,566,997	1,530,606
Payments for the acquisition of available for sale securities	-3,039,022	-1,756,803
Cash proceeds from the sale of securities held to maturity	28,182	40,735
Payments for the acquisition of securities held to maturity	-122,557	-30,396
Cash proceeds from the sale of land and buildings	10,804	66,871
Payments for the acquisition of land and buildings	-111,137	-73,156
Changes in unit- and index-linked life insurance items	-307,613	-249,777
Changes in other investments	-1,150,624	-103,800
Cash Flow from investing activities	-1,967,124	-642,124
Capital increase incl. hybrid bonds	1,343,078	0
Increase in subordinated liabilities	1,000	-101,698
Dividend payments	120,324	31,157
Cash proceeds from and payments for other financing activities	288,731	0
Cash Flow from financing activities	1,753,133	-70,541
Net change in cash and cash equivalents	64,023	4,793
Cash and cash equivalents at beginning of period	277,700	226,443
Cash and cash equivalents at end of period	359,308	235,361
Including non-profit housing development corporations	44,950	33,224
Change in scope of consolidation	17,274	7,364
Foreign exchange differences in cash and cash equivalents	311	-3,239
Additional information		
Interest received	290,435	295,529
Dividends received	86,362	47,253
Interest paid	39,009	34,460
Dividends paid	120,324	86,386
Income taxes paid	42,827	40,917

SEGMENT REPORTING

CONSOLIDATED BALANCE SHEET BY PRIMARY SEGMENTS (LINES OF BUSINESS)

ASSETS	Property/Casualty		Life		Health		Total	
	30.6.2008	31.12.2007	30.6.2008	31.12.2007	30.6.2008	31.12.2007	30.6.2008	31.12.2007
<i>in EUR '000</i>								
A. Intangible assets	818,787	493,996	22,300	23,519	6,985	6,990	848,072	524,505
B. Investments	4,331,872	3,253,425	13,382,660	16,047,231	910,780	870,733	18,625,312	20,171,389
C. Investments of unit- and index-linked life insurance	0	0	2,214,265	3,065,985	0	0	2,214,265	3,065,985
D. Reinsurers' share of underwriting provisions	1,050,753	952,499	34,730	232,078	2,130	2,087	1,087,613	1,186,664
E. Receivables	1,241,998	759,713	716,956	420,574	17,228	19,996	1,976,182	1,200,283
G. Other assets	211,620	191,071	42,201	91,504	1,827	2,111	255,648	284,686
H. Cash and cash equivalents	120,419	159,522	237,271	111,800	1,618	6,378	359,308	277,700
Subtotal	7.775.449	5.810.226	16.650.383	19.992.691	940.568	908.295	25.366.400	26.711.212
Consolidated deferred tax assets							82,754	33,861
Total ASSETS							25,449,154	26,745,073

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES AND SHAREHOLDERS' EQUITY	Property/Casualty		Life		Health		Total	
	30.6.2008	31.12.2007	30.6.2008	31.12.2007	30.6.2008	31.12.2007	30.6.2008	31.12.2007
<i>in EUR '000</i>								
B. Subordinated Liabilities	189,301	190,751	186,162	252,159	0	0	375,463	442,910
C. Underwriting provisions	4,387,427	3,738,667	10,175,582	12,585,461	789,207	768,001	15,352,216	17,092,129
D. Underwriting provisions of unit- and index-linked insurance	0	0	2,134,321	2,948,522	0	0	2,134,321	2,948,522
E. Non-underwriting provisions	468,283	449,832	197,240	300,365	38,483	44,605	704,006	794,802
F. Liabilities	678,255	605,458	1,761,256	1,861,729	145,733	221,487	2,585,244	2,688,674
H. Other liabilities	82,083	75,701	6,636	5,755	64	252	88,783	81,708
Subtotal	5,805,349	5,060,409	14,461,197	17,953,991	973,487	1,034,345	21,240,033	24,048,745
Consolidated deferred tax liabilities							124,173	80,765
Consolidated shareholders' equity							4,084,948	2,615,563
Total LIABILITIES AND SHAREHOLDERS' EQUITY							25,449,154	26,745,073

The amounts indicated for each business segment have been adjusted for internal segment transactions. As a result, the asset and liability balances cannot be used to infer the shareholders' equity allocated to each area of operations.

CONSOLIDATED INCOME STATEMENT BY SEGMENT

LINES OF BUSINESS	Property/Casualty		Life		Health		Total	
	30.6.2008	31.12.2007	30.6.2008	31.12.2007	30.6.2008	31.12.2007	30.6.2008	31.12.2007
in EUR '000								
Premiums written – Gross	2,403,814	1,976,184	1,653,136	1,361,952	158,191	155,003	4,215,141	3,493,139
Net earned premiums	1,690,136	1,331,945	1,625,467	1,344,277	155,693	152,886	3,471,296	2,829,108
Net investment income, including results of affiliated and associated companies	154,246	93,301	458,255	445,829	6,188	14,062	618,689	553,192
Other income	19,166	11,914	11,491	8,738	12	0	30,669	20,652
Claims and insurance benefits	-1,072,290	-861,478	-1,700,951	-1,423,853	-139,117	-135,256	-2,912,358	-2,420,587
Operating expenses	-494,677	-377,334	-284,650	-279,615	-20,569	-20,462	-799,896	-677,411
Other expenses	-88,782	-64,260	-30,884	-24,720	-392	-575	-120,058	-89,555
Profit before taxes	207,799	134,088	78,728	70,656	1,815	10,655	288,342	215,399

REGIONS	Austria		Czech Republic		Slovakia		Poland	
	30.6.2008	31.12.2007	30.6.2008	31.12.2007	30.6.2008	31.12.2007	30.6.2008	31.12.2007
in EUR '000								
Premiums written – Gross	2,120,358	1,957,745	690,960	577,116	297,524	243,761	393,934	247,561
Net earned premiums	1,757,816	1,611,236	541,968	445,818	245,667	189,908	361,421	216,293
Net investment income, including results of affiliated and associated companies	488,079	478,742	23,372	21,595	9,878	12,185	6,393	12,129
Other income	5,026	4,404	6,554	5,510	1,426	1,217	3,659	1,759
Claims and insurance benefits	-1,745,600	-1,617,825	-353,930	-310,441	-170,811	-126,763	-225,830	-108,039
Operating expenses	-316,082	-308,418	-142,847	-108,533	-48,834	-40,908	-120,737	-105,936
Other expenses	-34,713	-29,606	-28,778	-18,631	-21,465	-18,000	-10,849	-7,507
Profit before taxes	154,526	138,533	46,339	35,318	15,861	17,639	-14,057	8,699

	Romania		Other CEE		Other Markets		Total	
	30.6.2008	31.12.2007	30.6.2008	31.12.2007	30.6.2008	31.12.2007	30.6.2008	31.12.2007
in EUR '000								
Premiums written – Gross	360,520	192,320	239,163	147,830	112,682	126,806	4,215,141	3,493,139
Net earned premiums	289,550	139,582	178,510	114,289	96,364	111,982	3,471,296	2,829,108
Net investment income, including results of affiliated and associated companies	76,008	5,935	6,879	11,473	8,080	11,133	618,689	553,192
Other income	9,298	2,156	3,283	3,025	1,423	2,581	30,669	20,652
Claims and insurance benefits	-228,968	-83,288	-113,694	-77,018	-73,525	-97,213	-2,912,358	-2,420,587
Operating expenses	-93,876	-57,112	-65,786	-43,204	-11,734	-13,300	-799,896	-677,411
Other expenses	-7,459	-3,050	-4,900	-4,114	-11,894	-8,647	-120,058	-89,555
Profit before taxes	44,553	4,223	4,292	4,451	8,714	6,536	288,342	215,399

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

EXPLANATIONS OF THE CONSOLIDATED STATEMENT ENDED 30 JUNE 2008

Accounting Principles

This consolidated 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 1st quarter has traditionally been the strongest in premiums over the course of the year. In the loss area as well, the 1st 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 avoid the excessively high risk of poor quality mortgage-backed securities and their derivatives.

Estimates

Preparation of a consolidated 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 a change from the 1st half of 2007, the Ukrainian insurance companies STDV Globus, CJSC Life Insurance Jupiter Vienna Insurance Group and CJS UIC Kniazha, as well as the Romanian insurance company SC Asigurarea Romaneasca Asiom S.A., were included in the Group's financial statements on a fully consolidated basis, and Turkish insurance company Ray Sigorta was proportionally consolidated. In a further contrast to the 1st half of 2007, three non-profit housing development companies were also included in the scope of consolidation of the Vienna Insurance Group: GIWOG Gemeinnützige Industrie-Wohnungs-AG, Leonding, GEMYSAG Gemeinnützige Mürz-Ybbs-Siedlungsanlagen-GmbH, Kapfenberg and "Schwarzatal" Gemeinnützige Wohnungs- und Siedlungsanlagen GmbH, Vienna.

The Austrian company BA-CA Versicherung AG as well as the Romanian Unita Vienna Insurance Group and Agras Vienna Insurance Group, a Unita affiliate, were deconsolidated in the 1st half of 2008. In contrast to the 1st half of 2007, DBR Friedrichscarrée GmbH & Co KG and DBR Friedrichscarée Liegenschaften-Verwaltungs GmbH were also deconsolidated.

Gains realized on the deconsolidation of BA-CA Versicherung and Unita Vienna Insurance Group in the 1st half of 2008 were equal to a total of EUR 325 million. These extraordinary gains were chiefly employed to strengthen underwriting reserves. Moreover, the sale of securities led to the realization of losses. However, this created the opportunity to invest in higher yield investments. On balance, these measures resulted in a positive net contribution to profit before taxes of EUR 10 million.

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

Damage incurred by storms "Emma" and "Paula" during the 1st half 2008 reached gross claims of approximately EUR 60 million and net loss of approximately EUR 20 million.

Changes in contingent liabilities and receivables

Compared to the 1st half 2007, no change took place in this area during the reporting period just ended.

INTANGIBLE ASSETS

Detail	30.6.2008	31.12.2007
in EUR '000		
Goodwill	647,260	422,300
Purchased insurance portfolios	31,797	30,629
Other assets	169,015	71,576
Acquired software	41,642	41,424
Other	127,373	30,152
Total	848,072	524,505

OTHER SECURITIES

Detail	Held to maturity		Available for sale		Held for trading		At fair value through profit or loss	
	30.6.2008	31.12.2007	30.6.2008	31.12.2007	30.6.2008	31.12.2007	30.6.2008	31.12.2007
in EUR '000								
Acquisition costs	373,237	306,191						
Cumulative depreciation as of 31.12. of the previous year	36	43						
Book value as of 31.12. of the previous year	373,273	306,234	12,958,608	11,760,935	977,235	755,275	164,428	128,300
Exchange rate	31,354	9,656	191,214	40,516	22,876	13,216	9,208	1,785
Book value as of 1.1.	404,627	315,890	13,149,822	11,801,451	1,000,111	768,491	173,636	130,085
Reclassifications	0	0	0	0	0	0	0	-6,995
Additions	139,884	102,304	3,039,487	3,379,898	303,517	564,760	128,480	145,771
Reductions	-28,723	-45,172	-2,572,568	-2,733,740	-348,551	-420,735	-127,297	-129,220
Changes in scope of consolidation	-22,106	251	-2,720,134	1,134,116	-136,816	64,153	-1,942	27,944
Changes in value recognised in profit or loss	0	0	-45,229	-15,003	-33,753	566	-12,398	-3,157
Changes in value not recognised in profit or loss	0	0	-503,361	-608,114	0	0	0	0
Book value as of 30.6.	493,682	373,273	10,348,017	12,958,608	784,508	977,235	160,479	164,428
Cumulative depreciation as of 30.6.	2,057	-36						
Acquisition costs	495,739	373,237						

REINSURERS' SHARE IN UNDERWRITING PROVISIONS

Detail	Property/Casualty	Life	Health	Total	Total
	30.6.2008	30.6.2008	30.6.2008	30.6.2008	31.12.2007
in EUR '000					
Unearned premiums	203,577	620	0	204,197	161,539
Mathematical reserve	2	29,416	1,920	31,338	217,885
Provision for outstanding claims	840,770	4,694	210	845,674	796,085
Provision for profit-independent premium refunds	4,384	0	0	4,384	3,428
Provision for profit-dependent premium refunds	0	0	0	0	14
Other underwriting provisions	2,020	0	0	2,020	7,713
Total	1,050,753	34,730	2,130	1,087,613	1,186,664

RECEIVABLES

Detail	Property/Casualty	Life	Health	Total	Total
	30.6.2008	30.6.2008	30.6.2008	30.6.2008	31.12.2007
in EUR '000					
Underwriting	869,353	90,489	7,555	967,397	700,492
Receivables from direct insurance business	732,978	87,142	7,472	827,592	626,514
with policyholders	627,563	82,153	7,472	717,188	520,626
with insurance brokers	88,502	4,946	0	93,448	89,363
with insurance companies	16,913	43	0	16,956	16,525
Receivables from reinsurance business	136,375	3,347	83	139,805	73,978
Non-underwriting					
Other receivables	372,645	626,467	9,673	1,008,785	499,791
Total	1,241,998	716,956	17,228	1,976,182	1,200,283

EARNINGS PER SHARE

Earnings per Share – 1 st half 2008	1.1.–30.6.2008	1.1.–30.6.2007
Profit for the period in EUR '000	228,882	174,251
Net profit for the period after minority interest in EUR '000	207,740	160,626
Number of shares (weighted)	111,607,735	105,000,000
Earnings per share (annualized) in EUR	3,72	3,06

Earnings per Share – 2 nd quarter 2008	1.4.–30.6.2008	1.4.–30.6.2007
Profit for the period in EUR '000	130,014	92,077
Net profit for the period after minority interest in EUR '000	116,328	84,650
Number of shares (weighted)	118,288,889	105,000,000
before capital increase	105,000,000	105,000,000
capital increase	23,000,000	0
Earnings per share (annualized) in EUR	3,93	3,22

UNDERWRITING PROVISIONS – GROSS

Detail	Property/Casualty 30.6.2008	Life 30.6.2008	Health 30.6.2008	Total 30.6.2008	Total 31.12.2007
in EUR '000					
Provisions of unearned premiums	1,172,187	128,777	3,534	1,304,498	960,354
Mathematical reserve	136	9,520,797	722,688	10,243,621	12,502,836
for guaranteed policy benefits	136	8,638,580	722,688	9,361,404	10,460,321
for allocated and committed profit shares	0	882,217	0	882,217	1,338,708
Provisions for outstanding insurance claims	3,170,295	90,239	43,940	3,304,474	3,008,951
Profit independent and profit dependent premiums refund	30,527	431,207	18,101	479,835	600,888
of which dependent on profit	197	424,393	3,601	428,191	557,762
of which not dependent on profit	30,330	6,814	14,500	51,644	43,126
Other underwriting provisions	14,282	4,562	944	19,788	19,100
Summe	4,387,427	10,175,582	789,207	15,352,216	17,092,129

LIABILITIES

Detail	Property/Casualty 30.6.2008	Life 30.6.2008	Health 30.6.2008	Total 30.6.2008	Total 31.12.2007
in EUR '000					
Underwriting	328.067	141.334	6.209	475.610	743.000
Liabilities from direct business	237.963	108.957	5.090	352.010	414.124
with policyholders	113.630	65.117	5.090	183.837	260.299
with insurance brokers	101.111	16.567	0	117.678	99.547
with insurance companies	23.222	456	0	23.678	23.370
under financial insurance contracts	0	26.817	0	26.817	30.908
Liabilities from reinsurance business	85.889	3.396	15	89.300	103.712
Deposits on ceded reinsurance business	4.215	28.981	1.104	34.300	225.164
Non-underwriting	350.188	1.619.922	139.524	2.109.634	1.945.674
Liabilities to banks	158.448	646.892	53.480	858.820	818.977
Miscellaneous liabilities	191.740	973.030	86.044	1.250.814	1.126.697
Total	678.255	1.761.256	145.733	2.585.244	2.688.674

INFORMATION TO CONSOLIDATED INCOME STATEMENT

GROSS PREMIUMS WRITTEN

Property/Casualty insurance

	1.1.–30.6.2008	1.1.–30.6.2007
in EUR '000		
Direct business		
Insurance for business interruption following fire	286,703	277,229
Household insurance	107,620	91,989
Other non-life insurance	206,998	140,156
Motor vehicle liability insurance	688,374	575,810
Other motor vehicle insurance	569,718	401,258
Casualty insurance	137,474	123,895
Liability insurance	180,801	152,708
Legal expenses insurance	24,551	23,537
Marine, aviation, and transport insurance	36,589	29,271
Credit and guarantee insurance	22,473	29,306
Other insurance	112,471	121,612
Subtotal	2,373,772	1,966,771
Indirect business		
Marine, aviation, and transport insurance	311	624
Other insurance	29,731	8,789
Subtotal	30,042	9,413
Total	2,403,814	1,976,184

PREMIUMS WRITTEN

Direct life insurance business

	1.1.–30.6.2008	1.1.–30.6.2007
in EUR '000		
Regular premium policies	926,898	880,541
Single premium policies	723,661	480,268
Total direct life premiums written	1,650,559	1,360,809
<i>of which:</i>		
Policies with profit participation	936,943	783,431
Policies without profit participation	170,186	208,171
Policies of unit- and index-linked life insurance	543,430	369,207
<i>of which:</i>		
Individual policies	1,413,724	1,211,055
Group policies	236,835	149,754

FINANCIAL RESULT

Detail – income	Property/Casualty		Life		Health		Total	
	1.1.–30.6.08	1.1.–30.6.07	1.1.–30.6.08	1.1.–30.6.07	1.1.–30.6.08	1.1.–30.6.07	1.1.–30.6.08	1.1.–30.6.07
in EUR '000								
Current income	86,087	106,254	429,205	301,147	15,941	11,773	531,233	419,174
Income from write-ups	2,168	8,513	9,831	13,857	113	3,532	12,112	25,902
Income from the disposal of investments	135,081	51,173	353,360	204,200	1,905	5,378	490,346	260,751
Total	223,336	165,940	792,396	519,204	17,959	20,683	1,033,691	705,827

Detail – expenses	Property/Casualty		Life		Health		Total	
	1.1.–30.6.08	1.1.–30.6.07	1.1.–30.6.08	1.1.–30.6.07	1.1.–30.6.08	1.1.–30.6.07	1.1.–30.6.08	1.1.–30.6.07
in EUR '000								
Depreciation of investments	30,605	24,792	72,470	26,186	1,642	1,937	104,717	52,915
Impairment of investments	8,065	1,013	39,007	45	228	0	47,300	1,058
Exchange rate	130	661	2,797	855	0	–17	2,927	1,499
Losses from the disposal of investments	10,199	2,407	144,145	24,909	6,397	695	160,741	28,011
Interest expenses	12,952	23,321	38,245	14,260	2,620	3,313	53,817	40,894
Other expenses	7,139	20,445	37,477	7,120	884	693	45,500	28,258
Total	69,090	72,639	334,141	73,375	11,771	6,621	415,002	152,635

EXPENSES FOR CLAIMS AND INSURANCE BENEFITS

Detail	Gross		Ceded to reinsurers		Retained	
	1.1.–30.6.08	1.1.–30.6.07	1.1.–30.6.08	1.1.–30.6.07	1.1.–30.6.08	1.1.–30.6.07
in EUR '000						
Property/Casualty insurance						
Expenses for insurance claims						
Claims and benefits	1,185,137	917,614	-283,103	-194,070	902,034	723,544
Changes in provisions for outstanding claims	135,204	175,054	22,513	-50,792	157,717	124,262
SUBTOTAL	1,320,341	1,092,668	-260,590	-244,862	1,059,751	847,806
Change in mathematical reserve	-5	-3	0	3	-5	0
Change in other underwriting provisions	1,030	808	-383	-56	647	752
Expenses for the refund of premiums not dependent on profit	12,675	13,556	-778	-636	11,897	12,920
TOTAL EXPENSES	1,334,041	1,107,029	-261,751	-245,551	1,072,290	861,478
Life insurance						
Expenses for insurance benefits						
Claims and benefits	840,542	661,533	-15,189	-11,741	825,353	649,792
Changes in provisions for outstanding claims	7,083	20,046	379	-436	7,462	19,610
SUBTOTAL	847,625	681,579	-14,810	-12,177	832,815	669,402
Change in mathematical reserve	575,666	530,600	-11,977	-12,952	563,689	517,648
Change in other underwriting provisions	18	12	0	0	18	12
Expenses for the refund of premiums dependent to and not dependent on profit	304,429	236,791	0	0	304,429	236,791
TOTAL EXPENSES	1,727,738	1,448,982	-26,787	-25,129	1,700,951	1,423,853
Health insurance						
Expenses for insurance claims						
Claims and benefits	108,820	101,045	-450	-355	108,370	100,690
Changes in provisions for outstanding claims	420	1,989	-16	152	404	2,141
SUBTOTAL	109,240	103,034	-466	-203	108,774	102,831
Change in mathematical reserve	19,007	22,506	-28	-56	18,979	22,450
Expenses for the refund of premiums not dependent on profit	11,364	9,975	0	0	11,364	9,975
TOTAL EXPENSES	139,611	135,515	-494	-259	139,117	135,256
TOTAL	3,201,390	2,691,526	-289,032	-270,939	2,912,358	2,420,587

OPERATING EXPENSES

Detail	Property/Casualty	Life	Health	Total
	1.1.–30.6.2008	1.1.–30.6.2008	1.1.–30.6.2008	1.1.–30.6.2008
in EUR '000				
Commissions and other acquisition expenses				
Commission expenses	319,662	158,439	4,087	482,188
Pro rata personnel expenses	75,873	33,699	5,357	114,929
Pro rata material costs	55,452	43,437	4,417	103,306
SUBTOTAL	450,987	235,575	13,861	700,423
Administrative expenses				
Pro rata personnel expenses	64,416	24,695	3,485	92,596
Pro rata material costs	68,240	32,135	3,278	103,653
SUBTOTAL	132,656	56,830	6,763	196,249
Reinsurance commissions received	-88,966	-7,755	-55	-96,776
Total	494,677	284,650	20,569	799,896

Detail	Property/Casualty	Life	Health	Total
	1.1.–30.6.2007	1.1.–30.6.2007	1.1.–30.6.2007	1.1.–30.6.2007
in EUR '000				
Commissions and other acquisition expenses				
Commission expenses	241,465	161,110	3,962	406,537
Pro rata personnel expenses	64,641	27,798	5,369	97,808
Pro rata material costs	49,851	45,134	4,427	99,412
SUBTOTAL	355,957	234,042	13,758	603,757
Administrative expenses				
Pro rata personnel expenses	50,994	23,372	3,487	77,853
Pro rata material costs	52,036	30,955	3,275	86,266
SUBTOTAL	103,030	54,327	6,762	164,119
Reinsurance commissions received	-81,653	-8,754	-58	-90,465
Total	377,334	279,615	20,462	677,411

OTHER INFORMATION

EMPLOYEE STATISTICS

	30.6.2008	31.12.2007
Austria	6,051	6,138
Field sales representatives	2,839	2,845
Office employees	3,212	3,293
Outside Austria	16,259	14,169
Field sales representatives	8,597	7,614
Office employees	7,662	6,555
Total	22,310	20,307

DECLARATION OF THE MANAGING BOARD

We declare that to the best of our knowledge the half year consolidated financial statements prepared in accordance with applicable accounting standards give a

true and fair view of the Group's net assets, financial position and results of operations, and the half year group management report gives a true and fair view of the business development and performance of the Group, together with a description of the principal risks and uncertainties to which the Group is exposed.

Managing Board of the Group:



Günter Geyer



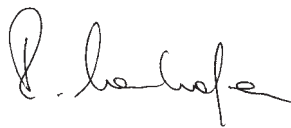
Karl Fink



Rudolf Ertl



Peter Hagen



Robert Lasshofer



Martin Simhandl

Vienna, 14 August 2008



Financial Calendar* of WIENER STÄDTISCHE Versicherung AG VIENNA INSURANCE GROUP

Results for the 1 st three quarters of 2008	11 November 2008
Preliminary non-consolidated premiums of 2008	1 April 2009
Result for the year 2008	1 April 2009
Embedded Value	24 April 2009
Annual General Meeting	24 April 2009
Ex-dividend day	4 May 2009
Dividend payment day	4 May 2009
Results for the 1 st quarter of 2009	12 May 2009
Results for the 1 st half of 2009	18 August 2009
Results for the 1 st three quarters of 2009	10 November 2009

* preliminary schedule





MEDIA PUBLISHER AND OWNER

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

Editorial deadline: 14 August 2008

This interim report can be downloaded as a PDF-file in German or English language from our website at: www.vig.com/ir
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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@vig.com

All references in the text refer to men and women equally and without discrimination.

In cases of doubt, the German version is authoritative.