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Vienna Insurance Group:

Launch of a future-oriented action programme for 2009

Management identifies optimisation potential of at least 100 million euros

The Vienna Insurance Group has pursued an exemplary level of expansion in Austria and CEE to become the leading international insurance group in the region.¹ This successful strategy of expansion has been driven by the overriding objective of achieving long-term and sustainable earnings and revenue growth. The Vienna Insurance Group 2008 financial results clearly reflect the outstanding growth achieved.

In terms of efficiency and profitability, the Vienna Insurance Group continuously works to optimise its corporate activities. As part of the ongoing integration of the group's companies, numerous initiatives and measures have already been drawn up and implemented.

Considering the changed economic conditions, the Vienna Insurance Group management has decided to launch even more emphatic measures, and its first step has been to evaluate the group's own position in comparison to the international competition in terms of cost efficiency. The result of this evaluation was the identification of an optimisation potential of at least 100 million euros. The Vienna Insurance Group management is therefore currently developing, with the assistance of external consultants, a group-wide and future-oriented action programme focusing on material costs and on a comprehensive improvement of processes in its individual companies as well as at a group level. The majority of the measures are to be implemented during this year.

"In times of crisis we act early in order to prepare for the time after the crisis", comments Günter Geyer, Vienna Insurance Group CEO, and adds: *"already last autumn we adapted the management structure to match the dynamic nature of our rapid expansion and thereby set the stage for an even more efficient management of our group. Our cost-oriented action programme is now to further improve our future competitiveness."*

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

On the Austrian market, the Vienna Insurance Group (VIG) positions itself with Wiener Städtische Versicherung, Donau Versicherung and Sparkassen Versicherung. Furthermore, it has a minority holding in Wüstenrot Versicherung.

¹ CEE region defined as: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia

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