



SEE THROUGH DIFFERENT EYES

LETTER FROM THE CHAIRMAN OF THE MANAGING BOARD

**Dear shareholders,
ladies and gentlemen,**

For the first time I have the privilege of addressing you as the Chairman of the Managing Board of Vienna Insurance Group. I was very happy to take on this exciting role and will continue to set the successful course of our group, together with a strong team. In this, I would especially like to emphasise the word "continuing". We are continuing unchanged in the pursuit of our strategy of sustainable and profitable growth.



Vienna Insurance Group sees itself as a progressive insurer which sets high standards of service in prevention and protection solutions – and at the same time as a conservative investor that takes very seriously its responsibility to invest its customers' money profitably but especially also safely. In times of crisis in particular, what customers expect from an insurance company is stability and especially prudence in matters of investment. In view of our robust investment policy, we take a rather calm view of the present low interest rates, because the net yields we achieve for our life insurance portfolio are still well above the average guaranteed interest rate.

Our home market remains Austria and Central and Eastern Europe; here is where we have a strong local bond and know our business best. The enormous market potential in CEE, where expenditure on insurance per head is still a fraction of the level in Western Europe, continues to form the basis of our strategy for growth. We intend to implement this both organically and through considered acquisitions. The proven strategic partnership with Erste Group is another important support to us in the development of this potential. We are also continuing to count on our multi-brand strategy in the future and therefore also on the strength of our regional brands which contribute a great deal to customers' identification with our Company.

In all of this, our focus is on our core competence, the insurance business. We always pay consistent attention to our underwriting result, are constantly aiming for improvements in all operational areas and are thus working on the continued improvement of the combined ratio. In the 1st half of 2012 we have reduced it further to 96.6% compared to the first six months of the previous year.

Business figures for the 1st half of 2012 show a very positive development overall. We were able to increase the Group's volume of premiums by 11.7% to EUR 5.3 billion. Despite a growth of claims due to severe weather in Austria, the Czech Republic and Poland, the profit before taxes went up by 6.9% to EUR 301.7 million. The acquisition of the Polish life insurance company, Polisa, has now been concluded. We were thus able to increase our selling capacity in this strong growth sector of group life insurance in Poland.

For the coming years too, we are planning to grow faster than the market and will make efforts to keep volatility as low as possible given the economic environment. In so doing, our work will continue to be characterised by entrepreneurial vision, optimism, creative strength and loyalty to our company values.

A handwritten signature in black ink, appearing to read 'Peter Hagen'. The signature is fluid and cursive, written on a white background.

Yours, Peter Hagen

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MANAGEMENT REPORT

ECONOMIC ENVIRONMENT

According to the July monthly report of the WIFO (Austrian Institute of Economic Research), the economy in the eurozone was stagnant in the 1st quarter of 2012. Economic developments are still overshadowed by the sovereign debt crisis and continuing uncertainty in the financial markets. Investment and consumption decisions are affected by uncertainty about the future path of the crisis. Rapid cuts to public budgets have also led to weaker growth. Up until now, Austria has been able to decouple itself somewhat and in the 1st quarter of 2012 the country posted a 0.3% increase in Gross Domestic Product (GDP) compared to the previous quarter. However, here too less dynamic growth is expected.

Some countries in Central and Eastern Europe underwent a similar development to the eurozone. In Poland, Slovakia and Ukraine growth is gradually weakening, and the Czech Republic (-1.0%) and Hungary (-1.3%) registered a decrease in GDP in the 1st quarter of 2012. Weak export demand from the eurozone countries and caution in granting credit are dampening investment and consumption. However, a slightly more positive development is expected for the rest of the year.

BUSINESS DEVELOPMENT (IN ACCORDANCE WITH IFRS)

In the 1st half of 2012, Vienna Insurance Group earned a total of EUR 5.3 billion Group premiums written and with that a significant increase of 11.7% on the same period of the previous year. This strong premium growth can above all be traced back to the strong demand for life insurance in the single-premium segment in Poland.

The expenses for claims and insurance benefits less the reinsurance component totalled EUR 3,943.4 million (including the allocation of the mathematical reserve in life

VIG in the 1st half of 2012:

- > **Group premiums have increased by 11.7% to EUR 5.3 billion**
- > **Profit before taxes increased by 6.9% to EUR 301.7 million**
- > **Combined ratio at 96.6%**

insurance) in the first six months of this year. In comparison to the 1st half of 2011 this represents an increase of 17.8%.

The acquisition and administrative expenses in the 1st half of 2012 less the reinsurance commissions received were EUR 909.7 million and were only slightly above the figure for the comparative period with an increase of 1.4%.

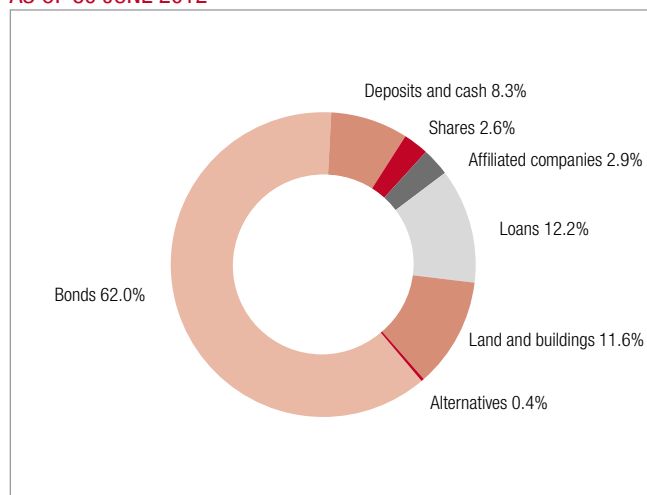
Group profit before taxes in the 1st half of 2012 was EUR 301.7 million. This corresponds to an increase of 6.9% compared to the same period in the previous year.

The combined ratio of the Group after reinsurance (without taking investment income into account) in the 1st half of 2012 was very good at 96.6%, despite various local extreme weather events – following 97.1% for the 1st half of 2011.

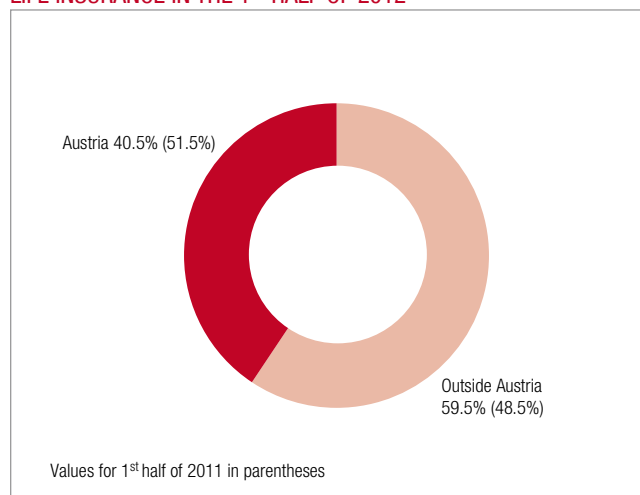
The financial result in the 1st half of 2012 totalled EUR 581.4 million, an increase of 4.9% compared to the same period in the previous year.

Total investments (including liquid funds) as at 30 June 2012 reached EUR 29,057.5 million.

**BREAKDOWN OF INVESTMENTS
AS OF 30 JUNE 2012**



**PERCENTAGE OF PREMIUMS BY REGION IN
LIFE INSURANCE IN THE 1ST HALF OF 2012**

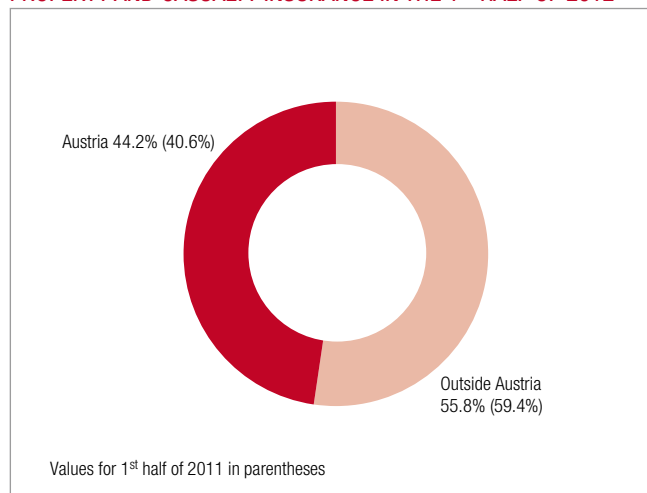


BUSINESS DEVELOPMENT BY LINES OF BUSINESS

Property and casualty insurance

In the property and casualty insurance segment premiums written amounted to EUR 2.6 billion, rising by 2.4%.

**PERCENTAGE OF PREMIUMS BY REGION IN
PROPERTY AND CASUALTY INSURANCE IN THE 1ST HALF OF 2012**



Life insurance

In the life segment the Vienna Insurance Group companies earned premiums of EUR 2.5 billion; strong growth in Poland made a major contribution to this plus of 24.1%.

Health insurance

In health Vienna Insurance Group reported an increase in premiums written of 7.5% to EUR 194.2 million.

Business development by lines of business

in EUR mn	Premiums written		Profit before taxes	
	1.1.-30.6.2012	1.1.-30.6.2011	1.1.-30.6.2012	1.1.-30.6.2011
Property/ Casualty	2,622.4	2,561.8	166.7	148.8
Life	2,466.2	1,986.7	112.4	112.0
Health	194.2	180.7	22.6	21.4
Total	5,282.9	4,729.2	301.7	282.2

Business development by region

in EUR mn	Premiums written		Profit before taxes	
	1.1.-30.6.2012	1.1.-30.6.2011	1.1.-30.6.2012	1.1.-30.6.2011
Austria	2,331.9	2,232.4	144.3	140.0
Czech Republic	927.8	973.7	92.9	91.3
Slovakia	358.1	339.0	29.3	28.6
Poland	952.2	498.1	28.0	24.6
Romania	235.7	275.8	-4.1	1.6
Remaining markets	477.3	410.3	11.4	-3.9
Total	5,282.9	4,729.2	301.7	282.2

BUSINESS DEVELOPMENT BY REGION

Austria

The Vienna Insurance Group companies in Austria earned premiums written of about EUR 2.3 billion; this corresponds to an increase of 4.5%. In the property and casualty insurance segment premiums written went up by 11.3% to a total of EUR 1.2 billion. Life insurance premiums declined by 2.2% to a total of EUR 999.4 million.

Profit before taxes amounted to EUR 144.3 million, increasing by 3.0%. The combined ratio stood at a very favourable level of 93.5%.

Czech Republic

The Group companies in the Czech Republic earned premiums written of EUR 927.8 million.

In the non-life insurance premiums written amounted to EUR 523.5 million. In life insurance premiums written totalled EUR 404.2 million.

The Vienna Insurance Group companies are the number one in the insurance market of the Czech Republic, holding a market share of 30.2%.

Profit before taxes increased by 1.7% to EUR 92.9 million. The combined ratio achieved a very satisfactory level of 93.9%.

Slovakia

The Group companies in Slovakia raised their premiums written by 5.6% to EUR 358.1 million.

Increasing by 2.8%, premiums written in the non-life insurance segment amounted to EUR 176.0 million. The life insurance reported a growth in premiums written of 8.6% to a total of EUR 182.1 million.

The Vienna Insurance Group companies strengthened their position as the number one in the Slovak insurance market, holding a market share of 34.1%.

Profit before taxes climbed by 2.6% to EUR 29.3 million. The combined ratio stood at 95.8%.

Poland

In the Polish market the Group companies of VIG earned premiums written of EUR 952.2 million, increasing substantially by 91.2%. This significant growth in premiums was driven by the strong demand in the life insurance segment, especially in the business with single-premium products sold via banks.

The non-life segment achieved premiums written of EUR 302.4 million. Thanks to a significant plus, the life insurance earned premiums written of EUR 649.8 million.

Profit before taxes increased by 14.0% to a total of EUR 28.0 million compared to the same period of the previous year. Decreasing by about 2 percentage points to 98.0%, the combined ratio remained clearly under the 100% threshold.

Romania

Reporting premiums written of a total of EUR 235.7 million, the Romanian Group companies remain the number one in the insurance market.

Due to restructuring the portfolio, premiums written declined to EUR 184.1 million in the non-life insurance segment. Life insurance premiums written grew by 2.1% to EUR 51.6 million.

A loss of EUR 4.1 million was reported in the first six months of 2012. The combined ratio stood at 110.4%.

The merger of the two Romanian property insurers Omniasig Non-life and BCR Non-life was concluded at the beginning of May 2012. In the future the Company will operate under the name OMNIASIG VIENNA INSURANCE GROUP S.A.

Remaining markets

The segment "remaining markets" comprises the countries Albania, Bulgaria, Germany, Estonia, Croatia, Latvia, Liechtenstein, Lithuania, Macedonia, Serbia, Turkey, Ukraine, Hungary and Georgia.

In this segment the Group companies of Vienna Insurance Group earned premiums written of EUR 477.3 million, growing strongly by 16.3%. Non-life insurance premiums written increased by 10.3% to EUR 298.2 million. The life insurance segment reported a rise in premiums written of 28.0% to EUR 179.1 million.

Profit before taxes amounted to EUR 11.4 million. The combined ratio was slightly above 100%.

EMPLOYEES

In the 1st half of 2012, Vienna Insurance Group employed 23,891 staff overall, which is 1,011 fewer than in 2011 as a whole. This decrease is due above all to the changed consolidation method (from fully consolidated to 'at equity') at four non-profit housing societies in Austria (due to the discontinuation of the controlling influence) and the business development in Romania.

BUSINESS DEVELOPMENT IN THE 2ND QUARTER OF 2012

In the 2nd quarter of 2012, VIg achieved a total of Group premiums written of EUR 2,536.4 million, an increase of 19.3% compared to the same period in the previous year. This strong premium growth can above all be traced back to the strong demand for life insurance in the single-premium segment in Poland.

The expenses for claims and insurance benefits, less the reinsurance component, amounted to EUR 2,105.6 million (including the allocation of the mathematical reserve in life insurance) in the 2nd quarter of 2012. In comparison to the 2nd quarter of 2011 this represents an increase of 26.2%.

The acquisition and administrative expenses less reinsurance commissions received amounted to EUR 444.5 million in the 2nd quarter of 2012. In comparison to the same period in the previous year this is a slight increase of 1.0%.

In the 2nd quarter of this year, profit before taxes was EUR 150.3 million and was thus an increase of 7.8% compared to the 2nd quarter of 2011.

The financial result amounted to EUR 304.4 million in the 2nd quarter of 2012 (+1.1% compared to the same period in the previous year).

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Poland: Merger of InterRisk and PZM concluded

With the merger of the two Group companies InterRisk and PZM which was concluded in summer 2012, Vienna Insurance Group is concentrating its market presence on the important core market of Poland. The sales capacity of the two companies is being combined and the presence of the common brand is being strengthened across the country. In the future the non-life insurer will operate under the name INTERRISK Towarzystwo Ubezpieczeń Spółka Akcyjna Vienna Insurance Group.

RISK REPORT

The foundation of sustainable business development is the conscious and controlled handling of risks at all levels of the Group. Based on a conservative risk policy, an integrated risk management system for this purpose has been established in Vienna Insurance Group that is supported and continually developed further by local risk departments and a coordinated risk management department at the holding level.

Constant refinement of risk management processes that are defined group-wide ensures that all risks with which the Group is faced can be identified, evaluated, analysed and controlled in a timely and appropriate way. The reporting and ongoing communication between the Managing Board, risk departments and operational departments which accompany this thus also support risk consciousness and strengthen the existing risk culture throughout the entire Group.

Vienna Insurance Group regards itself as perfectly equipped for any current or future solvency requirements resulting from Solvency II through efficient risk control as

part of a conservative business and risk strategy, and through its existing capital strength.

Despite the present uncertainty about when Solvency II will come into force, Vienna Insurance Group is working intensively towards the implementation of all new requirements. As part of this, there is a consistent move towards the standardisation of risk management across the entire Group.

At the beginning of 2012, Standard & Poor's confirmed the Group's existing A+ rating with a stable outlook for the Vienna Insurance Group – despite difficult market conditions – and therefore also the high risk-bearing capacity of the Company.

At present, a close watch is being kept on the European sovereign debt crisis and the volatility of the financial markets. Up until now, Vienna Insurance Group has pursued an investment policy consisting of a very conservative and security-oriented approach on the financial markets. The uncertainties associated with the above reinforce its decision to continue with this policy.

OUTLOOK

Economic outlook

The unstable situation in the economic and political environment makes it extremely difficult to predict future developments. Europe must overcome major challenges but it cannot be certain which agents will affect economic events and by how much. While some analysts recently see the ECB (European Central Bank) taking on an increasingly dominant role due to aggressive interest rate cuts, significant representatives of the European institutions stress the relevance of the political mandates of national parliaments and governments. WIFO assumes in its forecasts that currency union will continue in its present form and that there will be a reduction in the large differences in secondary market yields for government bonds of individual European countries.

European Union member states in Central and Eastern Europe* are also intensifying attempts to make savings in their public budgets. For this reason slower economic growth is expected in 2012 than in the previous year. WIFO is therefore expecting growth in GDP of 1.6% for the seven new EU countries for the whole of 2012. However, stronger growth is expected for Central and Eastern Europe in 2012 than for Western Europe. The CEE region offers a large potential for growth, especially in the long term. For Austria growth of 0.6% is predicted for the same period. In comparison, a fall of 0.2% is expected for the eurozone.

Developments of this kind have increasingly led to calls for stimuli to growth, and these are no longer being ruled out even by the IMF (International Monetary Fund). In addition to pressure from the financial markets, issues which are relevant to further developments above all include the interaction of national austerity measures, international monetary policy and national growth strategies, which are supported in part by EU regional funds. The flexible re-designation of these funds within countries is made easier by the Stability Pact.

VIG outlook

The main priority in 2012 will be to continue efforts to promote organic growth, that is to continue promoting the business of existing companies. This does not rule out acquisitions that would be a good fit in the insurance portfolio. VIG has set itself the goal of continuing to grow faster than the market in coming years. At the same time, the management of Vienna Insurance Group will make efforts to keep volatility as low as possible given the economic environment. VIG will also continuously look for areas of potential savings and determine how these can be best exploited.

*Bulgaria, Czech Republic, Hungary, Latvia, Lithuania, Poland, Romania

VIG in Poland: acquisition of life insurer Polisa completed

Vienna Insurance Group is the new owner of the Polish life insurance company Polisa. With this transaction, VIG has acquired about 92% of the life insurer. Polisa, headquartered in Warsaw, was established in 1995. The company's product portfolio focuses on group insurance and thus rounds off the Vienna Insurance Group portfolio. In 2011 Polisa, with their staff of more than 120 employees, generated a premium volume of approx. EUR 27 million. The company's diversified distribution channels include a country-wide network of independent brokers, 16 regional offices and 30 representative branches.

VIG in the Czech Republic: Kooperativa selected for the fourth time in a row as „Insurer of the Year“

In Prague, the Association of Czech insurance brokers invited to a ceremony to be awarded the distinction of "Insurer of the Year" for the twelfth time. Kooperativa, the largest Czech Vienna Insurance Group company, was placed first in the categories industrial and corporate insurance, life insurance, as well as private client insurance and, in the motor vehicle insurance, in third place. Moreover, Kooperativa was for the fourth time in a row "Insurer of the Year". The success of Vienna Insurance Group in the Czech market was also underlined by the further top placements of ČPP and PČS. ČPP took second place in the motor vehicle insurance category as well as in the industrial and corporate insurance and third place in the private client insurance. In the life insurance, PČS was selected for third place.

VIG in Romania: Asirom named country's best non-life insurer

Vienna Insurance Group Romanian company Asirom recently secured the title of Romania's best non-life insurer. The awards were presented by Romanian insurance trade journal PRIMM – Insurance & Pensions Magazine.

VIG in Croatia: Erste Osiguranje is the best bank insurer

The Croatian business newspaper "Poslovni dnevnik" featured the best providers in the field of financial services. These were evaluated on the basis of criteria such as product innovation, transparency of conditions and service

quality. The Croatian Group company Erste Osiguranje was named as the best bank insurer.

Cultural and social commitment in VIG

Fifth wrapping of the Ringturm by László Fehér

Wiener Städtische Versicherungsverein, the main shareholder of Vienna Insurance Group, is once again demonstrating its commitment to art in public spaces with the fifth artistic decoration of the Ringturm. The tower's prominent position on Vienna's Ringstraße, at the northern end of Franz-Josefs-Kai where the ring opens onto the Danube Canal, offers a perfect opportunity to expose the Viennese public and the city's many visitors to contemporary art. László Fehér's work "Society" transforms the Ringturm from an office block into an art tower. This is the first time that an artist from one of Austria's neighbouring countries has been commissioned to produce an exclusive work for the tower's transformation. The artwork will be on view until the middle of September 2012.

VIG Kids Camp

30 July 2012 was the start of a summertime highlight with the opening of the 2012 VIG Kids Camp. Thanks to the support of VIG's main shareholder, Wiener Städtische Versicherungsverein, a total of around 500 children of Vienna Insurance Group employees from 25 countries spend two weeks of their summer vacation at three different camps. The children, aged nine to 13, were encouraged to give their creativity free rein and put their ideas of a perfect summer down on paper, under the motto "I'm painting my summer". The most imaginative and creative pictures were picked out by a jury of teachers and art experts.

The children attending the camps come from Austria, as well as the Central and Eastern European countries in which the Vienna Insurance Group is represented. They spend two weeks in Austria enjoying an action-packed programme of activities. The schedule covers everything from hiking and tours of salt mines and limestone caves to sightseeing, and also includes plenty of opportunities for sports, games and swimming. The children have the opportunity to share new and memorable experiences with other youngsters from all over Europe. For further information visit www.vigkidscamp.com.

CAPITAL MARKETS & INVESTOR RELATIONS & SHARE

CAPITAL MARKETS

International overview

International stock exchanges were able to achieve significant price gains on the last trading day of the 1st half of 2012: the Eurostoxx 50 even rose by nearly 5%. This was the reaction of the stock exchanges to the agreement at the meeting of the European Council and a confirmation of the fact that developments on the stock exchanges have primarily been shaped by political developments in the last few months.

After a 1st quarter in 2012 which was good overall, the debt crisis affecting certain European countries in the months of April and May once again led to increasing anxiety in the markets and significant price adjustments. The positive counter-reaction only set in in June when the election in Greece brought in a political majority in favour of extensive economy measures and the ability of the European Union to act had been confirmed, despite a change of government in France. The markets largely ignored companies' income trends which were satisfactory overall.

The US stock exchange index, Dow Jones Industrial (DJI) closed at the end of June 2012 at 12,880.09 points and thus lay 5.4% above its final trading level at the end of 2011. The leading Japanese index, the Nikkei 225, was even stronger and was able to add 6.5%. However, both indices are below their respective figures at the end of the 1st quarter of 2012. The European index Eurostoxx 50 similarly ended the 1st half of 2012 below the value for the previous quarter, but also 2.2% below the value at the end of 2011.

Analogously to developments in other emerging markets, the CECE index, in the 2nd quarter, also had to give off the double digit profits it had made in the first three months of the year. The CECE index calculated in euros ended the half year with a plus of 8.3% at 1,623.76 points, and thus performed significantly better than the international benchmark indices mentioned earlier.

Vienna Stock Exchange

At the beginning of the year, the Vienna Stock Exchange was able to register a significant increase in share prices and at 19 March 2012 the ATX index reached its year's peak so far (2,248.81 points). After a volatile period which was shaped to a large extent by the news flow concerning the debt crisis, the major part of this increase was lost once again: the closing price at the end of June 2012, however, still lay 4.4% above its position at the end of 2011 at 1,975.35 points.

INVESTOR RELATIONS

The IR programme of Vienna Insurance Group in the 2nd quarter of 2012 included the now traditional bank conference of Raiffeisen Centrobank in Zürs in April and an investor day in Milan which was organised by Baader Bank for the first time. In addition, there was a series of investor meetings with VIG management in Vienna. Also, many analysts have used the last few months to inform themselves, either in person or via teleconferencing, about current developments within the Group.

Analysts' main topics of interest were the current low interest rates, the Austrian life insurance business and questions on market developments in Central and Eastern Europe, particularly in the light of discussions surrounding the European Union.

At present, 20 analysts are regularly following the development of Vienna Insurance Group and publishing research reports. Two-thirds are recommending VIG shares as a buy. The average stock price target across all analyses is over EUR 38.00 and thus has an upside potential of around 20% on the closing share price as of 30 June 2012.

PERFORMANCE OF VIG SHARES

In the 2nd quarter of 2012, VIG shares experienced a period of relative volatility which corresponded to the highs and lows of the ATX and the MSCI Insurance Index in this period. Shares were not able to exceed the peak of EUR 35.51 reached in the 1st quarter due to uncertainties in the market caused by the debt crisis, but, similar to the market, shares reached a new low of EUR 27.63 at the beginning of June. However, after a substantial recovery, VIG shares again succeeded in catching up with the ATX over the course of the month and had significantly gained ground by the end of June. VIG shares finally ended the 1st half of 2012 at a rate of EUR 31.88 and an increase of 4.1%.

Key share information for the 1st half of 2012

High	EUR	35.51
Low	EUR	27.63
Year-end price	EUR	31.88
Market capitalisation	EUR	4.08 bn
Dividend 2011	EUR	1.10
Average daily stock exchange trading volume*	EUR	3.52 mn

* Using single counting

Overview of VIG shares

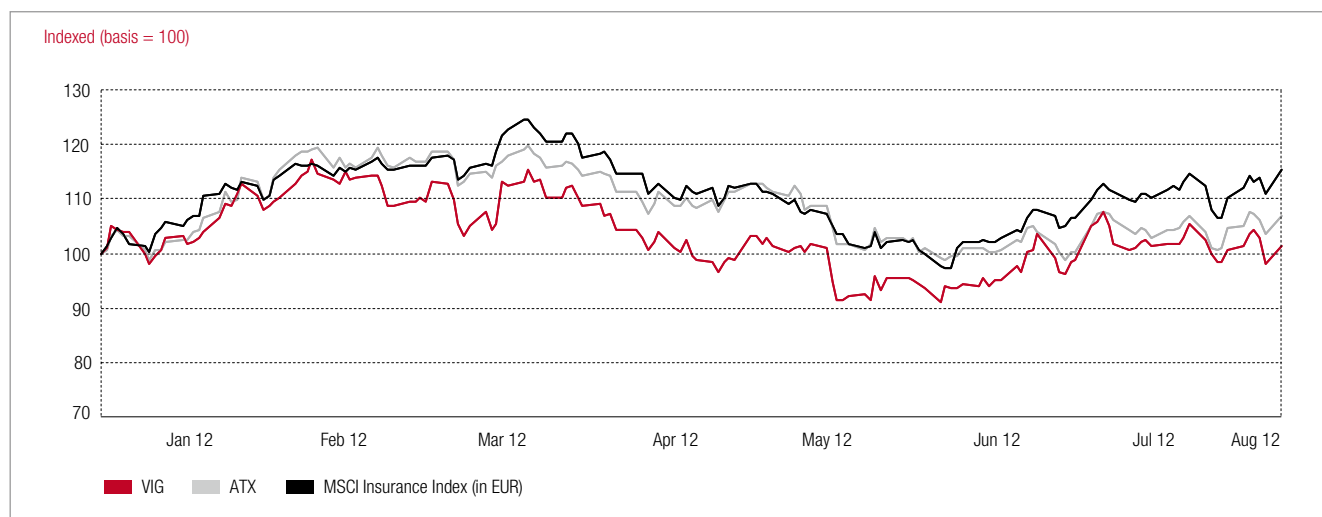
Initial listing (Vienna)	17 October 1994
Initial listing (Prague)	5 February 2008
Number of common shares	128 mn
Free float	approx. 30%
ISIN	AT0000908504
Securities symbol	VIG
Bloomberg	VIG AV / VIG CP
Reuters	VIGR.VI / VIGR.PR
Rating – Standard & Poor's	A+, stable outlook

VIG financial calendar*

Results for 1 st –3 rd quarter of 2012	27 November 2012
Preliminary unconsolidated premiums 2012	24 January 2013
Results and embedded value for 2012	3 April 2013
Annual General Meeting	3 May 2013
Ex-dividend day	13 May 2013
Dividend payment day	13 May 2013
Results for 1 st quarter of 2013	28 May 2013
Results for 1 st half of 2013	29 August 2013
Results for 1 st –3 rd quarter of 2013	28 November 2013

* Preliminary schedule

VIENNA INSURANCE GROUP (VIG) COMPARED TO THE ATX AND MSCI INSURANCE INDEX (IN EUR) 1 JANUARY 2012–6 AUGUST 2012



CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2012

ASSETS	30.6.2012	31.12.2011
in EUR '000		
A. Intangible assets		
I. Goodwill	1,766,680	1,762,284
II. Purchased insurance portfolios	65,438	75,320
III. Other intangible assets	586,117	544,820
Total intangible assets	2,418,235	2,382,424
B. Investments		
I. Land and buildings	3,202,142	4,416,954
II. Shares in at equity consolidated companies	260,193	120,878
III. Financial instruments	24,767,418	23,547,560
a) Loans and other investments	4,983,059	4,602,417
b) Other securities	19,784,359	18,945,143
Financial instruments held to maturity	3,125,558	3,110,720
Financial investments available for sale	16,051,176	15,188,119
Financial instruments recognised at fair value through profit and loss*	607,625	646,304
Total investments	28,229,753	28,085,392
C. Investments of unit-linked and index-linked life insurance	5,916,244	5,502,790
D. Reinsurers' share in underwriting provisions	1,143,007	1,117,063
E. Receivables	1,664,032	1,581,517
F. Tax receivables and advance payments out of income tax	94,582	80,447
G. Deferred tax assets	106,980	123,519
H. Other assets	328,939	328,382
I. Cash and cash equivalents	827,776	568,117
Total ASSETS	40,729,548	39,769,651

* Including trading assets

CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2012

LIABILITIES AND SHAREHOLDERS' EQUITY	30.6.2012	31.12.2011
in EUR '000		
A. Shareholders' equity		
I. Share capital	132,887	132,887
II. Other capital reserves	2,109,003	2,109,003
III. Capital reserves from additional payments on hybrid capital	495,602	495,602
IV. Retained earnings	2,023,405	1,961,997
V. Other reserves	146,813	-68,847
VI. Non-controlling interests	306,424	419,001
Total shareholders' equity	5,214,134	5,049,643
B. Subordinated liabilities	537,235	531,232
C. Underwriting provisions		
I. Provision for unearned premiums	1,520,184	1,232,400
II. Mathematical reserve	18,955,747	18,339,607
III. Provision for outstanding claims	4,054,593	3,938,416
IV. Provisions for profit-unrelated premium refunds	48,875	58,565
V. Provision for profit-related premium refunds	781,531	397,039
VI. Other underwriting provisions	29,173	26,510
Total underwriting provisions	25,390,103	23,992,537
D. Underwriting provisions for unit-linked and index-linked life insurance	5,744,160	5,329,381
E. Non-underwriting provisions		
I. Provisions for pensions and similar obligations	291,733	302,002
II. Other provisions	212,850	257,324
Total non-underwriting provisions	504,583	559,326
F. Liabilities	2,901,762	3,904,355
G. Tax liabilities out of income tax	72,352	62,818
H. Deferred tax liabilities	162,223	124,117
I. Other liabilities	202,996	216,242
Total LIABILITIES AND SHAREHOLDERS' EQUITY	40,729,548	39,769,651

CONSOLIDATED SHAREHOLDERS' EQUITY

Change in consolidated shareholders' equity in financial years 2012 and 2011

	Share capital	Other capital reserves	Capital reserves from additional payments on hybrid capital	Retained earnings	Other reserves	Subtotal	Non-controlling interests	Shareholders' equity
in EUR '000								
As of 1 January 2011	132,887	2,109,003	495,602	1,723,519	172,401	4,633,412	396,235	5,029,647
Changes in scope of consolidation/ ownership interests	0	0	0	-4,502	0	-4,502	323	-4,179
Total profit for the period incl. other comprehensive income after taxes	0	0	0	215,086	-19,616	195,470	14,487	209,957
Dividend payment	0	0	0	-128,000	0	-128,000	-9,150	-137,150
As of 30 June 2011	132,887	2,109,003	495,602	1,806,103	152,785	4,696,380	401,895	5,098,275
As of 1 January 2012	132,887	2,109,003	495,602	1,961,997	-68,847	4,630,642	419,001	5,049,643
Changes in scope of consolidation/ ownership interests	0	0	0	-29,095	0	-29,095	-114,619	-143,714
Total profit for the period incl. other comprehensive income after taxes	0	0	0	231,303	215,660	446,963	11,266	458,229
Dividend payment	0	0	0	-140,800	0	-140,800	-9,224	-150,024
As of 30 June 2012	132,887	2,109,003	495,602	2,023,405	146,813	4,907,710	306,424	5,214,134

The above subtotal equals the equity attributable to shareholders and other capital providers of the parent company.

CONSOLIDATED INCOME STATEMENT

for the period from 1 January 2012 to 30 June 2012 (including comparative period)	1.1.-30.6.2012	1.1.-30.6.2011
in EUR '000		
Premiums		
Premiums written – gross	5,282,853	4,729,247
Premiums written – reinsurers' share	-474,534	-463,165
Premiums written – retention	4,808,319	4,266,082
Change in unearned premium – gross	-258,025	-300,105
Change in unearned premium – reinsurers' share	106,121	104,528
Net earned premiums – retention	4,656,415	4,070,505
Financial result excluding at equity consolidated companies		
Income from investments	815,034	828,963
Expenses for investments and interest expenses	-247,933	-283,384
Total financial result excluding at equity consolidated companies	567,101	545,579
Result from shares in at equity consolidated companies	14,254	8,621
Other income	52,970	45,538
Expenses for claims and insurance benefits		
Expenses for claims and insurance benefits – gross	-4,059,588	-3,564,167
Expenses for claims and insurance benefits – reinsurers' share	116,159	215,498
Total expenses for claims and insurance benefits	-3,943,429	-3,348,669
Acquisition and administrative expenses		
Acquisition expenses	-801,455	-779,250
Other administrative expenses	-172,772	-171,557
Reinsurance commissions	64,507	53,725
Total acquisition and administrative expenses	-909,720	-897,082
Other expenses	-135,897	-142,323
Profit before taxes	301,694	282,169
Tax expense	-63,183	-51,686
Profit for the period	238,511	230,483
<i>thereof attributable to shareholders of Vienna Insurance Group</i>	<i>231,303</i>	<i>215,086</i>
<i>thereof non-controlling interests in net profit for the period</i>	<i>7,208</i>	<i>15,397</i>
Earnings per share (annualised)*		
Undiluted = diluted earnings per share (in EUR)	3.30	3.05

* The calculation of EPS includes accrued interest expenses for hybrid capital.

CONSOLIDATED INCOME STATEMENT

for the period from 1 April 2012 to 30 June 2012 (including comparative period)	1.4.-30.6.2012	1.4.-30.6.2011
in EUR '000		
Premiums		
Premiums written – gross	2,536,396	2,125,844
Premiums written – reinsurers' share	-191,790	-96,649
Premiums written – retention	2,344,606	2,029,195
Change in unearned premium – gross	80,070	47,877
Change in unearned premium – reinsurers' share	895	-85,384
Net earned premiums – retention	2,425,571	1,991,688
Financial result excluding at equity consolidated companies		
Income from investments	421,081	417,436
Expenses for investments and interest expenses	-126,251	-123,272
Total financial result excluding at equity consolidated companies	294,830	294,164
Result from shares in at equity consolidated companies	9,526	6,833
Other income	26,842	19,992
Expenses for claims and insurance benefits		
Expenses for claims and insurance benefits – gross	-2,220,407	-1,761,321
Expenses for claims and insurance benefits – reinsurers' share	114,814	92,335
Total expenses for claims and insurance benefits	-2,105,593	-1,668,986
Acquisition and administrative expenses		
Acquisition expenses	-388,569	-387,166
Other administrative expenses	-87,394	-82,533
Reinsurance commissions	31,485	29,447
Total acquisition and administrative expenses	-444,478	-440,252
Other expenses	-56,428	-64,060
Profit before taxes	150,270	139,379
Tax expense	-31,518	-24,498
Profit for the period	118,752	114,881
<i>thereof attributable to shareholders of Vienna Insurance Group</i>	<i>113,590</i>	<i>105,970</i>
<i>thereof non-controlling interests in net profit for the period</i>	<i>5,162</i>	<i>8,911</i>
Earnings per share (annualised)*		
Undiluted = diluted earnings per share (in EUR)	3.24	3.00

* The calculation of EPS includes accrued interest expenses for hybrid capital.

OTHER COMPREHENSIVE INCOME

	30.6.2012	30.06.2011
in EUR '000		
Profit for the period	238,511	230,483
+/- Exchange rates through equity	35,161	17,757
+/- Unrealised gains and losses from financial instruments available for sale	238,945	-48,921
Taxes on other comprehensive income*	-54,388	10,638
Other comprehensive income after taxes	458,229	209,957
<i>thereof attributable to Vienna Insurance Group shareholders</i>	<i>446,963</i>	<i>195,470</i>
<i>thereof non-controlling interests</i>	<i>11,266</i>	<i>14,487</i>

* The taxes result exclusively from Unrealised gains and losses on financial instruments available for sale.

CONSOLIDATED CASH FLOW STATEMENT

for the period from 1 January 2012 to 30 June 2012 (including comparative period)	1.1.-30.6.2012	1.1.-30.6.2011
in EUR '000		
Profit for the period	238,511	230,483
Change in underwriting provisions net	1,204,164	890,795
Change in underwriting receivables and liabilities	-235,505	-226,191
Change in deposit receivables and liabilities, as well as in reinsurance receivables and liabilities	103,771	121,976
Change in other receivables and liabilities	59,414	-38,801
Changes in securities held for trading	29,564	24,664
Gain/loss from disposal of investments	-42,697	-57,693
Depreciation/appreciation of all other investments	68,232	84,788
Change in pension, severance and other personnel provisions	-937	-3,907
Change in deferred tax assets/liability	-196	21,637
Change in other balance sheet items	-53,900	-30,703
Change in other intangible assets	-28,163	33,358
Other non-cash income and expenses and adjustments to the result for the period	98,428	-62,328
Cash flow from operating activities	1,440,686	988,078
Cash inflow from the sale of fully and at equity consolidated companies	-5,745	0
Payments for the acquisition of fully and at equity consolidated companies	-149,226	-3,817
Cash inflow from the sale of financial instruments available for sale	1,812,551	1,623,161
Payments for the acquisition of financial instruments available for sale	-2,092,501	-1,602,097
Cash inflow from the sale of financial instruments held to maturities	168,895	120,911
Payments for the acquisition of financial instruments held to maturity	-148,068	-121,045
Cash inflow from the sale of land and buildings	9,093	5,447
Payments for the acquisition of land and buildings	-73,585	-93,934
Change in unit-linked and index-linked life insurance items	-186,674	-202,233
Change in other investments	-335,587	139,626
Cash flow from investing activities	-1,000,847	-133,981
Decrease/increase in subordinated liabilities	6,000	-6,836
Dividend payments	-150,024	-137,150
Cash inflow and outflow from other financing activities	1,435	-36,341
Cash flow from financing activities	-142,589	-180,327
Change in cash and cash equivalents	297,250	673,770
Cash and cash equivalents at beginning of period	568,117	396,030
Change in cash and cash equivalents	297,250	673,770
Change in scope of consolidation	-35,704	0
Effects of foreign currency exchange differences in cash and cash equivalents	-1,887	1,150
Cash and cash equivalents at end of period	827,776	1,070,950
<i>thereof non-profit housing societies</i>	<i>77,892</i>	<i>110,158</i>
Additional information		
Received interest	466,173	455,113
Received dividends	61,467	80,408
Interest paid	29,877	40,788
Income taxes paid	44,664	50,435

SEGMENT REPORTING

CONSOLIDATED BALANCE SHEET BY LINES OF BUSINESS

ASSETS	Property/Casualty		Life		Health		Total	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011	30.6.2012	31.12.2011	30.6.2012	31.12.2011
in EUR '000								
A. Intangible assets	1,383,334	1,346,322	1,034,856	1,036,048	45	54	2,418,235	2,382,424
B. Investments	7,385,805	8,311,376	19,824,290	18,812,966	1,019,658	961,050	28,229,753	28,085,392
C. Investments of unit and index-linked life insurance	0	0	5,916,244	5,502,790	0	0	5,916,244	5,502,790
D. Reinsurers' share in underwriting provisions	1,025,595	995,257	115,729	120,132	1,683	1,674	1,143,007	1,117,063
E. Receivables	1,103,072	986,317	526,776	565,248	34,184	29,952	1,664,032	1,581,517
F. Tax receivables and advance payments out of income tax	75,929	62,616	18,653	17,831	0	0	94,582	80,447
H. Other assets	151,224	153,902	168,307	164,593	9,408	9,887	328,939	328,382
I. Cash and cash equivalents	525,826	298,216	267,077	235,706	34,873	34,195	827,776	568,117
Subtotal	11,650,785	12,154,006	27,871,932	26,455,314	1,099,851	1,036,812	40,622,568	39,646,132
Deferred tax assets							106,980	123,519
Total ASSETS							40,729,548	39,769,651

LIABILITIES AND SHAREHOLDERS' EQUITY	Property/Casualty		Life		Health		Total	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011	30.6.2012	31.12.2011	30.6.2012	31.12.2011
in EUR '000								
B. Subordinated liabilities	315,737	312,777	220,998	217,955	500	500	537,235	531,232
C. Underwriting provisions	5,153,652	4,796,718	19,224,649	18,215,473	1,011,802	980,346	25,390,103	23,992,537
D. Underwriting provisions for unit and index-linked life insurance	0	0	5,744,160	5,329,381	0	0	5,744,160	5,329,381
E. Non-underwriting provisions	331,642	387,065	144,620	144,428	28,321	27,833	504,583	559,326
F. Liabilities	2,419,155	3,443,246	449,662	438,989	32,945	22,120	2,901,762	3,904,355
G. Tax liabilities out of income tax	56,681	52,099	11,902	10,719	3,769	0	72,352	62,818
I. Other liabilities	49,183	54,158	153,613	160,349	200	1,735	202,996	216,242
Subtotal	8,326,050	9,046,063	25,949,604	24,517,294	1,077,537	1,032,534	35,353,191	34,595,891
Deferred tax liabilities							162,223	124,117
Shareholders' equity							5,214,134	5,049,643
Total LIABILITIES AND SHAREHOLDERS' EQUITY							40,729,548	39,769,651

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.

SEGMENT REPORTING

CONSOLIDATED INCOME STATEMENT BY LINES OF BUSINESS AND REGION

LINES OF BUSINESS	Property/Casualty		Life		Health		Total	
	1.1.-30.6.12	1.1.-30.6.11	1.1.-30.6.12	1.1.-30.6.11	1.1.-30.6.12	1.1.-30.6.11	1.1.-30.6.12	1.1.-30.6.11
in EUR '000								
Premiums written – gross	2,622,432	2,561,813	2,466,227	1,986,712	194,194	180,722	5,282,853	4,729,247
Net earned premiums	2,027,145	1,926,849	2,443,811	1,966,791	185,459	176,865	4,656,415	4,070,505
Financial result excl. at equity consolidated companies	94,968	107,171	459,180	420,138	12,953	18,270	567,101	545,579
Result from shares in at equity consolidated companies	13,330	7,327	924	1,294	0	0	14,254	8,621
Other income	33,066	27,879	18,712	17,635	1,192	24	52,970	45,538
Expenses for claims and insurance benefits	-1,334,660	-1,259,156	-2,454,238	-1,935,711	-154,531	-153,802	-3,943,429	-3,348,669
Acquisition and administrative expenses	-577,894	-557,744	-309,887	-319,977	-21,939	-19,361	-909,720	-897,082
Other expenses	-89,247	-103,562	-46,116	-38,163	-534	-598	-135,897	-142,323
Profit before taxes	166,708	148,764	112,386	112,007	22,600	21,398	301,694	282,169

REGIONS	Austria		Czech Republic		Slovakia		Poland	
	1.1.-30.6.12	1.1.-30.6.11	1.1.-30.6.12	1.1.-30.6.11	1.1.-30.6.12	1.1.-30.6.11	1.1.-30.6.12	1.1.-30.6.11
in EUR '000								
Premiums written – gross	2,331,850	2,232,424	927,757	973,720	358,081	338,954	952,221	498,088
Net earned premiums	1,973,330	1,831,439	823,747	877,220	313,860	298,064	917,413	450,550
Financial result excl. at equity consolidated companies	378,711	386,447	70,840	66,170	25,361	23,650	31,751	26,398
Result from shares in at equity consolidated companies	11,541	6,406	2,713	2,215	0	0	0	0
Other income	7,760	9,342	17,066	15,164	1,901	2,800	2,635	2,715
Expenses for claims and insurance benefits	-1,863,205	-1,748,633	-573,291	-615,915	-240,981	-228,251	-798,136	-324,458
Acquisition and administrative expenses	-341,938	-324,240	-214,427	-214,619	-53,347	-49,120	-120,025	-125,239
Other expenses	-21,942	-20,719	-33,736	-38,887	-17,489	-18,582	-5,624	-5,396
Profit before taxes	144,257	140,042	92,912	91,348	29,305	28,561	28,014	24,570

REGIONS	Romania		Remaining markets		Total	
	1.1.-30.6.12	1.1.-30.6.11	1.1.-30.6.12	1.1.-30.6.11	1.1.-30.6.12	1.1.-30.6.11
in EUR '000						
Premiums written – gross	235,678	275,780	477,266	410,281	5,282,853	4,729,247
Net earned premiums	229,493	264,555	398,572	348,677	4,656,415	4,070,505
Financial result excl. at equity consolidated companies	10,520	11,064	49,918	31,850	567,101	545,579
Result from shares in at equity consolidated companies	0	0	0	0	14,254	8,621
Other income	14,812	6,915	8,796	8,602	52,970	45,538
Expenses for claims and insurance benefits	-185,538	-195,940	-282,278	-235,472	-3,943,429	-3,348,669
Acquisition and administrative expenses	-66,911	-74,806	-113,072	-109,058	-909,720	-897,082
Other expenses	-6,520	-10,227	-50,586	-48,512	-135,897	-142,323
Profit before taxes	-4,144	1,561	11,350	-3,913	301,694	282,169

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDING 30 JUNE 2012

Summary of significant accounting policies

The consolidated financial statements for the 1st quarter 2012 were prepared in accordance with International Financial Reporting Standards (IFRS), and are in compliance with IAS 34 "Interim Financial Reporting".

Disclosures on seasonal and economic influences

Within the Vienna Insurance Group, seasonal fluctuations mainly take place in the areas of premiums, losses and financial result. Due to the large number of policies beginning in January, the 1st quarter is also normally the strongest quarter of the year in terms of premiums. In terms of losses, the 1st quarter (or 1st half) also normally shows a higher level of charges, mainly due to adverse environmental influences (snow, snow-melt, storms, floods). With respect to the financial result, the majority of dividend payments occur in the 2nd quarter, while many investment funds make distributions in the 4th quarter.

Estimates

Preparation of IFRS consolidated interim financial statements requires that discretionary assessments and assumptions be made about the future development of the Company that could have a material effect on the recognition and value of assets and liabilities, and on income and expenses during the financial year. The estimates relate in particular to the underwriting provisions. No material changes were made to the system used to calculate these estimates during the reporting period under review.

Related party transactions

These mainly concern minor reinsurance relationships between companies in the Group, financing at market terms, chiefly in the real estate area, and intercompany charges. These transactions have no material effect on the performance of the Company. No loans or guarantees were granted to the members of the Managing Board or Supervisory Board during the reporting period.

Disclosures on changes in the scope of consolidation

The following companies were not yet included in the Vienna Insurance Group scope of consolidation in the 1st half of 2011:

- Central Point IT-Solutions GmbH, Vienna
- Donau Brokerline Versicherungs-Service GmbH, Vienna
- DVIB GmbH, Vienna
- ELVP GmbH, Vienna
- InterAlbanian Vienna Insurance Group Sh.a, Tirana
- INTERSIG Sh.A., Tirana
- MH 54 Immobilienanlage GmbH, Vienna
- SVZ GmbH, Wien und SVZI GmbH, Vienna
- VIG BM a.s., Prague
- VIG-CZ Real Estate GmbH, Vienna
- V.I.G.ND a.s., Prague
- VIG Real Estate GmbH, Vienna

Due to a loss of controlling influence in the 1st quarter of 2012, the consolidation method was changed from full consolidation to the equity method for the following four non-profit housing development companies: Sozialbau gemeinnützige Wohnungsaktiengesellschaft, Vienna, Urbanbau Gemeinnützige Bau-, Wohnungs- und Stadterneuerungsgesellschaft m.b.H., Vienna, Neuland gemeinnützige Wohnbau-Gesellschaft m.b.H., Vienna, and Erste gemeinnützige Wohnungsgesellschaft Heimstätte Gesellschaft m.b.H., Vienna. The calculation of the at-equity book value or equity contribution of these non profit housing development companies is not yet final, due to contractual provisions on the final completion date.

In May 2012 there was a merger between two property insurers OMNIASIG VIENNA INSURANCE GROUP S.A., Bucharest and S.C. BCR Asigurări Vienna Insurance Group S.A., Bucharest. The company will operate in the future under the name OMNIASIG VIENNA INSURANCE GROUP S.A.

Type and scope of transactions that are unusual in terms of type, amount or frequency

In the 1st half of 2012 claims due to severe weather amounted to around EUR 60 million gross or around EUR 47 million net.

Changes to contingent liabilities and receivables

Compared to the 1st half of 2011 there were no changes in this area during the reporting period.

INTANGIBLE ASSETS

Composition	30.6.2012	31.12.2011
<i>in EUR '000</i>		
Goodwill	1,766,680	1,762,284
Purchased insurance portfolios	65,438	75,320
Other intangible assets	586,117	544,820
<i>Purchased software</i>	<i>475,029</i>	<i>425,987</i>
<i>Other</i>	<i>111,088</i>	<i>118,833</i>
Total	2,418,235	2,382,424

OTHER SECURITIES

Development	Held to maturity		Available for sale		Trading assets		Recognised at fair value through profit and loss	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011	30.6.2012	31.12.2011	30.6.2012	31.12.2011
<i>in EUR '000</i>								
Acquisition costs	3,127,119	3,074,423						
Cumulative depreciation as of 31.12. of previous years	-16,399	-13,440						
Book value as of 31.12. of the previous year	3,110,720	3,060,983	15,188,119	14,987,016	168,325	138,275	477,979	1,218,220
Exchange rate changes	16,466	-78,999	25,598	-57,240	6,746	-14,862	723	-3,096
Book value as of 1.1.	3,127,186	2,981,984	15,213,717	14,929,776	175,071	123,413	478,702	1,215,124
Reclassifications	18,557	72,894	-46,131	543,342	-4,849	1,415	-11,633	-635,981
Additions	145,197	411,499	2,083,746	3,460,122	777,654	919,676	51,556	188,490
Disposals	-165,837	-355,287	-1,779,806	-3,204,926	-756,352	-873,160	-134,938	-280,795
Changes in scope of consolidation	964	0	-2,755	-28,344	0	0	0	0
Changes in value recognised in profit and loss	0	0	0	1	17,916	-3,019	15,228	-8,859
Changes recognised directly in equity	0	0	601,069	-332,029	0	0	0	0
Impairments	-509	-370	-18,664	-179,823	-730	0	0	0
Book value as of 30.6. and 31.12. respectively	3,125,558	3,110,720	16,051,176	15,188,119	208,710	168,325	398,915	477,979
Cumulative appreciation/depreciation as of 30.6. and 31.12. respectively	14,521	16,399						
Acquisition costs	3,140,079	3,127,119						

REINSURERS' SHARE IN UNDERWRITING PROVISIONS

Composition	Property/ Casualty	Life	Health	Total	Total
	30.6.2012	30.6.2012	30.6.2012	30.6.2012	31.12.2011
in EUR '000					
Provision for unearned premiums	174,823	5,906	10	180,739	110,380
Mathematical reserve	9	99,820	1,575	101,404	103,862
Provisions for outstanding claims	837,934	9,942	98	847,974	888,731
Provision for profit-unrelated premium refunds	6,432	0	0	6,432	9,524
Other underwriting provisions	6,397	61	0	6,458	4,566
Total	1,025,595	115,729	1,683	1,143,007	1,117,063

RECEIVABLES

Composition	Property/ Casualty	Life	Health	Total	Total
	30.6.2012	30.6.2012	30.6.2012	30.6.2012	31.12.2011
in EUR '000					
Underwriting	888,495	149,008	19,955	1,057,458	925,044
Receivables from direct insurance business	839,788	144,890	19,919	1,004,597	805,091
<i>from policyholders</i>	<i>666,201</i>	<i>131,962</i>	<i>19,919</i>	<i>818,082</i>	<i>605,532</i>
<i>from insurance intermediaries</i>	<i>113,569</i>	<i>12,417</i>	<i>0</i>	<i>125,986</i>	<i>159,231</i>
<i>from insurance companies</i>	<i>60,018</i>	<i>511</i>	<i>0</i>	<i>60,529</i>	<i>40,328</i>
Receivables from reinsurance business	48,707	4,118	36	52,861	119,953
Non-underwriting	214,577	377,768	14,229	606,574	656,473
Other receivables	214,577	377,768	14,229	606,574	656,473
Total	1,103,072	526,776	34,184	1,664,032	1,581,517

EARNINGS PER SHARE

	1.1.-30.6.2012		1.1.-30.6.2011	
Profit for the period	EUR '000	238,511	EUR '000	230,483
Profit for the period after non-controlling interests	EUR '000	231,303	EUR '000	215,086
Interest hybrid capital	EUR '000	19,891	EUR '000	19,836
Number of shares	Units	128,000,000	Units	128,000,000
Earnings per share	EUR	3.30	EUR	3.05

	1.4.-30.6.2012		1.4.-30.6.2011	
Profit for the period	EUR '000	118,752	EUR '000	114,881
Profit for the period after non-controlling interests	EUR '000	113,590	EUR '000	105,970
Interest hybrid capital	EUR '000	9,946	EUR '000	9,973
Number of shares	Units	128,000,000	Units	128,000,000
Earnings per share	EUR	3.24	EUR	3.00

The calculation of this key figure includes the pro rata interest expenses for hybrid capital.

UNDERWRITING PROVISIONS – GROSS

Composition	Property/ Casualty 30.6.2012	Life 30.6.2012	Health 30.6.2012	Total 30.6.2012	Total 31.12.2011
in EUR '000					
Provision for unearned premiums	1,354,707	143,037	22,440	1,520,184	1,232,400
Mathematical reserve	140	18,023,200	932,407	18,955,747	18,339,607
<i>thereof for guaranteed policy benefits</i>	140	16,751,745	932,407	17,684,292	17,032,853
<i>thereof for allocated and committed profit shares</i>	0	1,271,455	0	1,271,455	1,306,754
Provisions for outstanding claims	3,735,064	272,859	46,670	4,054,593	3,938,416
Provision for premium refunds	38,011	782,640	9,755	830,406	455,604
<i>thereof profit-related</i>	197	781,334	0	781,531	397,039
<i>thereof profit-unrelated</i>	37,814	1,306	9,755	48,875	58,565
Other underwriting provisions	25,730	2,913	530	29,173	26,510
Total	5,153,652	19,224,649	1,011,802	25,390,103	23,992,537

LIABILITIES

Composition	Property/ Casualty 30.6.2012	Life 30.6.2012	Health 30.6.2012	Total 30.6.2012	Total 31.12.2011
in EUR '000					
Underwriting	479,514	233,215	16,085	728,814	728,544
Liabilities from direct business	339,039	128,650	12,229	479,918	516,073
<i>to policyholders</i>	169,605	95,992	12,229	277,826	335,267
<i>to insurance intermediaries</i>	124,458	30,854	0	155,312	162,146
<i>to insurance companies</i>	44,976	1,114	0	46,090	18,328
<i>arising from financial insurance contracts</i>	0	690		690	332
Liabilities from reinsurance business	137,621	10,969	2,183	150,773	113,069
Deposits from ceded reinsurance business	2,854	93,596	1,673	98,123	99,402
Non-underwriting	1,939,641	216,447	16,860	2,172,948	3,175,811
Liabilities to financial institutions	867,187	101,762	13	968,962	1,428,948
Other liabilities	1,072,454	114,685	16,847	1,203,986	1,746,863
Total	2,419,155	449,662	32,945	2,901,762	3,904,355

INFORMATION RELATING TO THE CONSOLIDATED INCOME STATEMENT

PREMIUMS WRITTEN

Property/Casualty insurance	Gross	Gross
	1.1.-30.6.2012	1.1.-30.6.2011
<i>in EUR '000</i>		
Direct business		
Casualty insurance	178,435	172,284
Health insurance	2,343	0
Land vehicle own-damage insurance	493,083	507,496
Rail vehicle own-damage	841	775
Aircraft own-damage insurance	4,465	5,526
Sea, lake and river shipping own-damage insurance	4,983	5,055
Transport insurance	27,652	27,053
Fire explosion, other natural risks, nuclear energy	484,679	463,494
Other property	258,940	236,816
Liability insurance for land vehicles having their own drive train	729,443	715,091
Carrier insurance	3,159	3,640
Aircraft liability insurance	2,506	4,693
Sea, lake and river shipping liability insurance	1,507	1,659
General liability insurance	273,171	258,856
Credit insurance	15	68
Guarantee insurance	8,721	9,116
Insurance for miscellaneous financial losses	60,705	62,286
Legal expenses insurance	26,986	26,334
Assistance insurance, travel health insurance	21,509	22,156
Subtotal	2,583,143	2,522,398
Indirect business		
Marine, aviation, and transport insurance	4,407	3,226
Other insurances	13,422	36,189
Health insurance	21,460	0
Subtotal	39,289	39,415
Total premiums written in Property and Casualty	2,622,432	2,561,813

Direct business life insurance	1.1.-30.6.2012	1.1.-30.6.2011
<i>in EUR '000</i>		
Regular premium policies	1,172,378	1,163,978
Single premium policies	1,285,772	815,552
Total premiums written direct in Life	2,458,150	1,979,530
thereof:		
<i>Policies with profit participation</i>	<i>1,479,403</i>	<i>977,328</i>
<i>Policies without profit participation</i>	<i>209,007</i>	<i>169,122</i>
<i>Unit-linked policies</i>	<i>674,216</i>	<i>724,164</i>
<i>Index-linked policies</i>	<i>95,524</i>	<i>108,916</i>

FINANCIAL RESULT

Composition: Income	Property/Casualty		Life		Health		Total	
	1.1.-30.6.2012	1.1.-30.6.2011	1.1.-30.6.2012	1.1.-30.6.2011	1.1.-30.6.2012	1.1.-30.6.2011	1.1.-30.6.2012	1.1.-30.6.2011
in EUR '000								
Current income	193,050	244,522	468,743	467,821	20,894	21,811	682,687	734,154
Income from appreciation	22,250	3,158	23,936	5,815	666	230	46,852	9,203
Income from the disposal of investments	25,863	15,362	59,216	65,742	416	4,502	85,495	85,606
Total	241,163	263,042	551,895	539,378	21,976	26,543	815,034	828,963

Composition: Expenses	Property/Casualty		Life		Health		Total	
	1.1.-30.6.2012	1.1.-30.6.2011	1.1.-30.6.2012	1.1.-30.6.2011	1.1.-30.6.2012	1.1.-30.6.2011	1.1.-30.6.2012	1.1.-30.6.2011
in EUR '000								
Depreciation of investments	37,072	48,131	23,854	23,066	1,700	1,066	62,626	72,263
Impairment of investments	12,390	1,545	6,161	23,648	1,491	206	20,042	25,399
Exchange rate changes	-437	773	-5,886	6,476	-179	8	-6,502	7,257
Losses from disposal of investments	13,623	6,080	19,593	20,807	429	766	33,645	27,653
Interest expenses	30,519	35,541	14,269	15,718	2,308	2,762	47,096	54,021
Other expenses	53,028	63,801	34,724	29,525	3,274	3,465	91,026	96,791
Total	146,195	155,871	92,715	119,240	9,023	8,273	247,933	283,384

EXPENSES FOR CLAIMS AND INSURANCE BENEFITS

Composition	Gross		Reinsurers' share		Retention	
	1.1.-30.6.2012	1.1.-30.6.2011	1.1.-30.6.2012	1.1.-30.6.2011	1.1.-30.6.2012	1.1.-30.6.2011
in EUR '000						
Property/Casualty insurance						
Expenses for claims and insurance benefits						
Payments for claims and insurance benefits	1,317,256	1,333,962	-100,339	-174,538	1,216,917	1,159,424
Changes in provision for outstanding claims	114,681	121,296	-8,065	-27,981	106,616	93,315
Subtotal	1,431,937	1,455,258	-108,404	-202,519	1,323,533	1,252,739
Change in mathematical reserve						
Change in other underwriting provisions	1,948	1,329	-1,845	-429	103	900
Expenses for profit-unrelated premium refunds	7,813	3,914	3,210	1,594	11,023	5,508
Total expenses	1,441,702	1,460,511	-107,042	-201,355	1,334,660	1,259,156
Life insurance						
Expenses for claims and insurance benefits						
Payments for claims and insurance benefits	1,661,321	1,447,166	-12,024	-13,919	1,649,297	1,433,247
Changes in provision for outstanding claims	29,621	25,803	635	66	30,256	25,869
Subtotal	1,690,942	1,472,969	-11,389	-13,853	1,679,553	1,459,116
Change in mathematical reserve						
Change in other underwriting provisions	725,683	425,200	2,262	497	727,945	425,697
Expenses for profit-related and profit-unrelated premium refunds	-299	104	220	-223	-79	-119
Expenses for profit-related and profit-unrelated premium refunds	46,819	51,017	0	0	46,819	51,017
Total expenses	2,463,145	1,949,290	-8,907	-13,579	2,454,238	1,935,711
Health insurance						
Expenses for claims and insurance benefits						
Payments for claims and insurance benefits	121,394	108,442	-210	-751	121,184	107,691
Changes in provision for outstanding claims	254	-338	0	214	254	-124
Subtotal	121,648	108,104	-210	-537	121,438	107,567
Change in mathematical reserve	27,061	36,574	0	-27	27,061	36,547
Expenses for profit-unrelated premium refunds	6,032	9,688	0	0	6,032	9,688
Total expenses	154,741	154,366	-210	-564	154,531	153,802
Total	4,059,588	3,564,167	-116,159	-215,498	3,943,429	3,348,669

AQUISITION AND ADMINISTRATIVE EXPENSES

Composition	Property/ Casualty	Life	Health	Total
	1.1.-30.6.2012	1.1.-30.6.2012	1.1.-30.6.2012	1.1.-30.6.2012
in EUR '000				
Acquisition expenses	531,682	254,481	15,292	801,455
Administrative expenses				
Pro rata personnel expenses	59,016	24,707	3,631	87,354
Pro rata material expenses	47,758	34,573	3,087	85,418
Subtotal	106,774	59,280	6,718	172,772
Received reinsurance commissions	-60,562	-3,874	-71	-64,507
Total	577,894	309,887	21,939	909,720

Composition	Property/ Casualty	Life	Health	Total
	1.1.-30.6.2011	1.1.-30.6.2011	1.1.-30.6.2011	1.1.-30.6.2011
in EUR '000				
Acquisition expenses	504,977	261,716	12,557	779,250
Administrative expenses				
Pro rata personnel expenses	57,143	24,274	3,549	84,966
Pro rata material expenses	45,828	37,448	3,315	86,591
Subtotal	102,971	61,722	6,864	171,557
Received reinsurance commissions	-50,204	-3,461	-60	-53,725
Total	557,744	319,977	19,361	897,082

OTHER INFORMATION

Employee statistics	30.6.2012	31.12.2011
Austria	6,051	6,440
Field staff	2,831	2,836
Office employees	3,220	3,604
Outside Austria	17,840	18,462
Field staff	10,103	10,570
Office employees	7,737	7,892
Total	23,891	24,902

DECLARATION BY THE MANAGING BOARD

We confirm to the best of our knowledge that the interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of important events that have occurred during the

first six months of the financial year and their impact on the interim financial statements, and of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed. The interim report was not audited or reviewed by an auditor.

The Managing Board:



Peter Hagen
General Manager, CEO
Chairman of the Managing Board



Franz Kosyna
Deputy General Manager,
Member of the Managing Board



Franz Fuchs
Member of the Managing Board



Peter Höfner
Member of the Managing Board



Martin Simhandl
CFO
Member of the Managing Board

Vienna, 6 August 2012

Managing Board areas of responsibility:

Peter Hagen: Group management, strategic planning, public relations, marketing, sponsoring, legal matters, human resources, performance management motor vehicle insurance, project online insurance, asset risk management;

Country responsibilities: Austria (incl. coordination s Versicherungsgruppe), Czech Republic, Croatia

Franz Kosyna: Group IT/back office, international processes and methods, SAP smile solutions;

Country responsibilities: Albania (incl. Kosovo), Bosnia-Herzegovina, Macedonia, Montenegro, Serbia

Franz Fuchs: Performance management personal insurance, strategic initiative health;

Country responsibilities: Poland, Romania, Baltic States

Peter Höfner: International corporate and large customer business, Vienna International Underwriters (VIU), reinsurance, strategic initiative SME business, strategic initiative private customers property (project assistance);

Country responsibilities: Slovakia, Belarus, Bulgaria, Russia, Hungary

Martin Simhandl: Asset management, subsidiaries department, finance and accounting, group cost structure, internal capital model project (project solvency II), treasury/capital market; Country responsibilities: Germany, Georgia, Liechtenstein, Turkey, Ukraine

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www.vig.com/en/downloads

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NOTES

Calculation differences may arise when rounded amounts and percentages are summed automatically.

The interim report was prepared with the greatest possible care in order to ensure that the information provided in all parts is correct and complete. Rounding, type-setting and printing errors can nevertheless not be completely ruled out.

All references in the text are to be understood as referring equally to men and women without discrimination.

In case of doubt, the German version is authoritative.

ADDRESS

VIENNA INSURANCE GROUP AG
Wiener Versicherung Gruppe
Investor Relations
Nina Higatzberger
Schottenring 30
A-1010 Vienna
Phone: +43 (0) 50 390-21920
Fax: +43 (0) 50 390 99-21920
E-Mail: investor.relations@vig.com

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