



SEE ROUND THE **CORNER**

INTERIM REPORT 1ST QUARTER 2012 | VIENNA INSURANCE GROUP

LETTER FROM THE CHAIRMAN OF THE MANAGING BOARD

**Dear Shareholders,
Dear Madam/Sir**

Even though the general economic environment and, consequently, the environment for the insurance industry continues to be difficult, Vienna Insurance Group was able to continue its previous solid performance in the 1st quarter of 2012. Our long-term strategy of expansion in the CEE region and conservative investment policy have proven themselves once again.



The fact that we were able to maintain our rating, unlike many other large insurance companies, proves the stability of our Group and confirms the path we have chosen. Our shareholders also benefit from this: on 4 May, the Annual General Meeting approved our proposal to increase the dividend by 10% to EUR 1.10 per share in 2011.

Due to positive performance in all insurance segments, our premium volume in the 1st quarter of 2012 increased by 5.5% compared to the 1st quarter of the previous year to EUR 2,746.46 million. Our profit before taxes also continued to grow, rising even faster than premium volume at a rate of 6.0% to EUR 151.42 million. There was also further improvement in the combined ratio, which fell to 96.4% compared to the 1st quarter of the previous year.

The increase in profit before taxes was particularly large in the CEE region, where it rose by 13.8% thereby also increasing the percentage of Vienna Insurance Group profits generated in the region. Improving profitability remains an important topic, and we have, for example, now completed our merger of the two Romanian companies BCR Non-life and Omnia-sig Non-life to significantly strengthen our operating structure in this difficult market.

Our bank partnership with the Erste Group has also truly proven its value. The growth of 15.8% in premium volume for the s Versicherung Group life insurers is proof that joint distribution of insurance and banking products by two strong partners has many advantages.

Our 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. We have set ourselves the goal of continuing to grow faster than the market in coming years. At the same time, we will make efforts to keep volatility as low as possible given the economic environment. We will also continuously look for areas of potential savings and determine how these can be best exploited.

On 1 June 2012, I will pass the position of Managing Board Chairman to Peter Hagen as planned and devote myself to my responsibilities at our principal shareholder Wiener Städtische Versicherungsverein. I wish Peter Hagen, who has been a key player in the development of our Company for many years, great success in his new position and ask that you continue to place your trust in him and Vienna Insurance Group in the future.

Sincerely yours,

A handwritten signature in black ink, which appears to read 'G. Geyer'. The signature is fluid and cursive.

Günther Geyer

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MANAGEMENT REPORT

BUSINESS DEVELOPMENT (IN ACCORDANCE WITH IFRS)

In the 1st quarter of 2012 Vienna Insurance Group earned a total of EUR 2.7 billion of (consolidated) premiums written, growing by 5.5% compared to the same period of the previous year.

The Group profit before taxes (consolidated) amounted to EUR 151.4 million in the 1st quarter of 2012. This corresponds to a significant increase by 6.0% compared to the prior-year period.

The Group profit after taxes and minority interests went up by 7.9% to EUR 117.7 million.

In the 1st quarter of 2012 the Group's combined ratio after reinsurance (excluding investment income) was successfully decreased by 1.4 %-points to an excellent 96.4% – which is considerably below the 100%-threshold.

The Group posted total investments, including cash and cash equivalents, of EUR 28.7 billion as of 31 March 2012. Increasing by 9.4%, the financial result totalled EUR 277.0 million. The hidden reserves of the Group amounted to about EUR 1.5 billion.

BUSINESS DEVELOPMENT BY LINES OF BUSINESS

Property/Casualty insurance

In the property/casualty insurance segment the volume of premiums grew by 4.1% to EUR 1.5 billion.

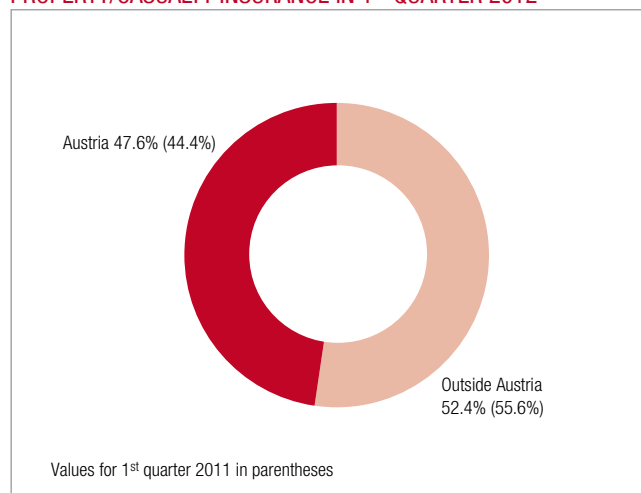
Life insurance

In the life insurance the Group companies of Vienna Insurance Group achieved a volume of premiums of more than EUR 1.1 billion, i.e. a plus of 7.4%.

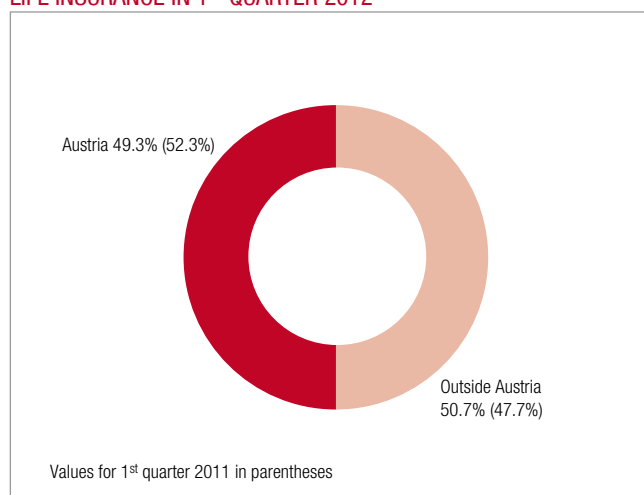
VIG in the 1st quarter 2012:

- > Group premiums rose by 5.5% to EUR 2.7 billion
- > Profit before taxes increased by 6.0% to EUR 151.4 million
- > Significant increase in profit in CEE by 13.8%
- > Combined ratio decreased to excellent 96.4%

PERCENTAGE OF PREMIUMS BY REGION IN PROPERTY/CASUALTY INSURANCE IN 1ST QUARTER 2012



PERCENTAGE OF PREMIUMS BY REGION IN LIFE INSURANCE IN 1ST QUARTER 2012



Health insurance

In the health insurance Vienna Insurance Group reported an increase in premiums written by 6.1% to EUR 97.8 million.

Segment reporting by lines of business

in EUR mn	Gross premiums written		Profit before taxes	
	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.3.2012	1.1.-31.3.2011
Property/Casualty	1,528.5	1,468.1	69.1	54.1
Life	1,120.1	1,043.0	71.2	77.8
Health	97.8	92.3	11.2	10.9
Total	2,746.5	2,603.4	151.4	142.8

Segment reporting by region

in EUR mn	Gross premiums written		Profit before taxes	
	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.3.2012	1.1.-31.3.2011
Austria	1,369.2	1,284.7	75.4	78.8
Czech Republic	494.1	514.3	43.8	41.1
Slovakia	192.9	188.6	15.7	17.5
Poland	319.6	258.6	16.3	9.6
Romania	134.5	144.5	-2.7	-5.0
Remaining markets	236.3	212.7	2.9	0.7
Total	2,746.5	2,603.4	151.4	142.8

BUSINESS DEVELOPMENT BY REGION

Austria

The Vienna Insurance Group companies in Austria posted premiums written of about EUR 1.4 billion; this corresponds to an increase of 6.6%. In the property/casualty insurance premiums written rose by 11.7% to a total of EUR 727.7 million. The life insurance segment reported a minor increase in premiums by 1.2% to EUR 552.3 million in total.

Profit before taxes amounted to EUR 75.4 million.

The combined ratio improved to an excellent 91.8%, decreasing by more than 2 %-points.

Czech Republic

The Group companies in the Czech Republic earned premiums written of EUR 494.1 million. In the non-life insurance segment premiums written amounted to EUR 283.3 million. In the life insurance premiums written totalled EUR 210.8 million.

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

Profit before taxes rose by 6.6% (compared to the same period of the previous year) to EUR 43.8 million.

The combined ratio stood at a favourable level of 95.2%.

Slovakia

The Group companies in Slovakia boosted the volume of premiums written by 2.3% to EUR 192.9 million. Increasing by 2.3%, premiums written amounted to EUR 105.7 million in the non-life insurance segment. The life insurance segment reported a growth of 2.3% in premiums written, totalling EUR 87.1 million.

Thanks to a market share of 32.7%, the Group companies of Vienna Insurance Group strengthened their position as the number one in the Slovak insurance market.

Profit before taxes amounted to EUR 15.7 million.

The combined ratio stood at 94.8%, decreasing by 1.6 %-points.

Poland

The Group companies of Vienna Insurance Group posted premiums written of EUR 319.6 million, growing sharply by 23.6%. The non-life insurance segment reported premiums written of EUR 160.2 million. Following a significant increase by 64.9%, the life insurance segment posted premiums written of EUR 159.3 million.

Compared to the same period of the previous year, profit before taxes rose by more than two thirds to a total of EUR 16.3 million.

The combined ratio decreased by 2.5 %-points. Amounting to 98.4%, this is the first time that it dropped significantly below the 100%-threshold.

Romania

The Romanian Group companies earned premiums written of a total of EUR 134.5 million. In the non-life insurance premiums written decreased to EUR 106.8 million due to restructuring the portfolio. In the life insurance segment premiums written grew by 2.0% to EUR 27.7 million.

A loss of EUR 2.7 million was reported in the 1st quarter of 2012.

The combined ratio reached a very unsatisfactory level of 112%.

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 achieved premiums written of EUR 236.3 million, growing strongly by 11.1%. The non-life insurance segment reported an increase of 1.0% in premiums written to

EUR 153.5 million. In the life insurance premiums written rose by 36.3% to EUR 82.8 million.

Profit before taxes amounted to EUR 2.9 million.

The combined ratio was slightly above 100%.

EMPLOYEES

Vienna Insurance Group had a total of 23,922 employees in the 1st quarter of 2012, which was 980 fewer than in 2011 as a whole. This decrease was mainly due to the cost-cutting programme, the merger in Romania, and a change in consolidation method (from full consolidation to the equity method) for four non-profit housing development companies in Austria (due to a loss of controlling influence).

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Merger of the two Romanian companies Omniasig Non-life and BCR Non-life completed

The merger of the two Romanian non-life insurance companies Omniasig Non-life and BCR Non-life that was begun in August 2011 was completed at the beginning of May 2012. The company will operate under the name OMNIASIG VIENNA INSURANCE GROUP S.A. in the future.

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.

CURRENT TOPICS

Annual General Meeting 2012

On 4 May 2012 the 21st Annual General Meeting of Vienna Insurance Group was held at Stadthalle in Vienna. The resolutions of the Annual General Meeting were adopted by the shareholders with a large majority of votes. Further information on this is available for download on the VIG website at www.vig.com/annual-general-meeting.

General Manager Günter Geyer's remarks about the 2011 consolidated financial statements at the Annual General Meeting were recorded and are also available on the VIG website.

Raise in dividend by 10% to EUR 1.10 per share

Due to the excellent results, the Annual General Meeting approved the Managing Board's proposal to increase the dividend by 10% to EUR 1.10 per share. The ex-dividend and dividend record date was 14 May 2012.

New Supervisory Board member

Ms. Gertrude Tumpel-Gugerell, who has been a member of the Executive Board of the European Central Bank until 2011 and is currently active as emerita consultant for the Austrian Institute of Economic Research (WIFO), has been elected into the Supervisory Board. As a renowned financial and economic expert, Ms. Tumpel-Gugerell looks back on a longstanding experience in various executive bodies and has a profound knowledge of European economic policy and financial market stability.

The Supervisory Board of Vienna Insurance Group is composed as follows:

- Wolfgang Ruttenstorfer, Chairman
- Karl Skyba, Deputy Chairman
- Bernhard Backovsky
- Martina Dobringer
- Alois Hochegger
- Heinz Öhler
- Reinhard Ortner
- Martin Roman
- Friedrich Stara
- Gertrude Tumpel-Gugerell

Peter Hagen assumes the position of Chairman of the Managing Board on 1 June 2012

Günter Geyer will be standing down as Chairman of the Managing Board of Vienna Insurance Group effective 31 May 2012. Peter Hagen will be appointed General Manager and Chairman of the Managing Board of the Group on 1 June 2012, and Franz Kosyna will be granted the title of Deputy General Manager.

The Vienna Insurance Group Managing Board will have the following members starting as of 1 June 2012:

- General Manager Peter Hagen (CEO)
- Deputy General Manager Franz Kosyna
- Martin Simhandl (CFO)
- Franz Fuchs
- Peter Höfingger

CAPITAL MARKETS & INVESTOR RELATIONS & SHARE

CAPITAL MARKETS

Share prices rose significantly on all major stock exchanges in the 1st quarter of 2012. The price gains and general reductions in market volatility are a reflection of the declining intensity of the Eurozone crisis, the continued use of expansionary policy by central banks in combination with moderate inflation fears, generally satisfactory corporate results, and a stabilisation of economic expectations.

Many markets successfully overcame their low points in the final weeks of the previous quarter, and this reversal accelerated in the initial weeks of the reporting period. The high for the quarter was already reached in the first half of February in many markets, especially emerging markets, followed by relatively stable sideways movement. The major stock exchanges and indices, on the other hand, reached their highs at the middle or end of March 2012, so that the upward movement of these markets was still intact at the end of the quarter.

The US Dow Jones Industrial (DJI) Index closed with a value of 13,212.04 at the end of March 2012, representing an increase of 8.1% over the value at the end of 2011. The European Eurostoxx 50 Index achieved similar performance to the DJI, rising 6.9% to 2,477.28 points. There was, however, considerable variation in price gains in Europe. Although the German DAX leading index rose by 17.8% in the 1st quarter, less export-oriented national economies and countries with ongoing massive budgetary imbalances recorded considerably more moderate price changes. Following weak performance in previous quarters, the Japanese Nikkei 225 leading index performed well compared to other equity markets, rising by 19.3% to 10,083.56 points.

The major emerging market indices also achieved double-digit growth rates in the 1st quarter of 2012, with the euro-denominated CECE Index rising 13.5% to 1,701.63 points.

Vienna Stock Exchange

The Vienna Stock Exchange overcame the lows of the previous year, with the ATX leading index already rising above the 2,000 mark in January 2012. The considerable gains achieved in the first weeks of the year were followed by a period of relatively low fluctuations due primarily to the news flow about individual shares. The ATX leading index rose to its current high for the year of 2,248.81 points on 19 March 2012, before subsequently giving up a small part of its gains by the end of the quarter. The index closed at a level of 2,159.06 points at the end of March 2012, 14.1% higher than the level at the end of 2011.

INVESTOR RELATIONS

Vienna Insurance Group started its roadshow activities in New York and Toronto at the end of January 2012, immediately after the preliminary results were published for 2011, followed by meetings with investors in Zurich, Frankfurt and Paris. Many questions were asked, in particular concerning the Group's core markets in Central and Eastern Europe, illustrating the uncertainty of investors with respect to this region.

As in previous years, management made a presentation on the performance of Vienna Insurance Group at the RCB Bank Conference in Zürs, and took part in two investor conferences in London and Milan that were organised by the Vienna Stock Exchange together with Erste Group and Baader Bank.

Special mention needs to be made of the fact that Kepler Capital Markets published its first analysis of Vienna Insurance Group at the end of April. Due to its leading position in CEE growth markets, conservative investment policy and solid capital resources, Kepler issued a buy recommendation for VIG shares with a target price of EUR 37.00. The average target price of all 20 published analyses, two thirds of which rated VIG shares as a "buy", is at the time of the editorial deadline around EUR 40.00.

PERFORMANCE OF VIG SHARES

VIG shares rose by 8.0% to close the 1st quarter of 2012 at a price of EUR 33.07. The performance of VIG shares was mixed during the reporting period. Similar to the ATX Index, VIG shares reached their current low of EUR 29.70 shortly after the beginning of the new year. This was followed by a significant recovery that led to a high of EUR 35.51 on 8 February. Ongoing uncertainty about the performance of Central and Eastern European countries and a reappearance of worries about the stability of some peripheral European countries placed downward pressure on VIG shares, causing them to again lose considerable ground versus the sector. As of the editorial deadline, VIG shares were trading at a price level above EUR 30.00.

Key share information 1st quarter 2012

High	EUR	35.51
Low	EUR	29.70
Year-end price	EUR	33.07
Market capitalisation	EUR	4.23 bn
Dividend 2011	EUR	1.10
Average daily stock exchange trading volume*	EUR	3.51 mn

* Using single counting

Overview of VIG shares

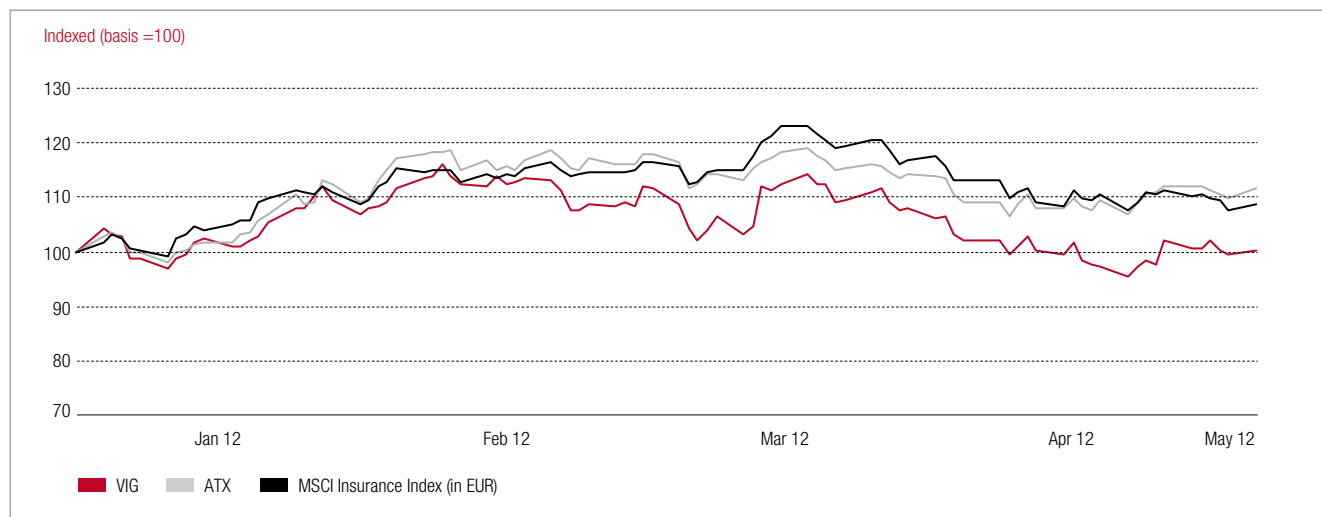
Initial listing (Vienna)	17 October 1994
Initial listing (Prague)	5 February 2008
Number of common shares	128 million
Free float	approx. 30%
ISIN	AT0000908504
Securities symbol	VIG
Bloomberg	VIG AV / VIG CP
Reuters	VIGR.VI / VIGR.PR
Rating – Standard & Poor's	A+, stable outlook

VIG financial calendar*

6M results for 2012	22 August 2012
9M results for 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	1 May 2013
3M results for 2013	28 May 2013
6M results for 2013	29 August 2013
9M results for 2013	28 November 2013

* Preliminary schedule

VIENNA INSURANCE GROUP (VIG) COMPARED TO THE ATX AND THE MSCI INSURANCE INDEX (IN EUR) 1 JANUARY 2012 – 7 MAY 2012



CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2012

ASSETS	31.3.2012	31.12.2011
in EUR '000		
A. Intangible assets		
I. Goodwill	1,763,272	1,762,284
II. Purchased insurance portfolio	69,072	75,320
III. Other intangible assets	566,664	544,820
Total intangible assets	2,399,008	2,382,424
B. Investments		
I. Land and buildings	3,178,227	4,416,954
II. Shares in at equity consolidated companies	251,241	120,878
III. Financial instruments	24,541,911	23,547,560
a) Loans and other investments	4,638,560	4,602,417
b) Other securities	19,903,351	18,945,143
Financial instruments held to maturity	3,186,905	3,110,720
Financial instruments available for sale	16,090,569	15,188,119
Financial instruments recognised at fair value through profit and loss*	625,877	646,304
Total investments	27,971,379	28,085,392
C. Investments of unit- and index-linked life insurance	5,873,285	5,502,790
D. Reinsurers' share in underwriting provisions	1,139,323	1,117,063
E. Receivables	1,824,946	1,581,517
F. Tax receivables and advance payments	84,854	80,447
G. Deferred tax assets	108,069	123,519
H. Other assets	325,280	328,382
I. Cash and cash equivalents	747,882	568,117
Total ASSETS	40,474,026	39,769,651

* Including trading assets

CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2012

LIABILITIES AND SHAREHOLDERS' EQUITY	31.3.2012	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 hybrid capital	495,602	495,602
IV. Retained earnings	2,064,693	1,961,997
V. Other reserves	160,828	-68,847
VI. Non-controlling interests	308,194	419,001
Total shareholders' equity	5,271,207	5,049,643
B. Subordinated liabilities	538,088	531,232
C. Underwriting provisions		
I. Unearned premiums	1,600,521	1,232,400
II. Mathematical reserve	18,561,305	18,339,607
III. Provision for outstanding claims	4,003,946	3,938,416
IV. Provisions for premium refunds not dependent on profit	62,864	58,565
V. Provision for profit dependent premium refunds	719,583	397,039
VI. Other underwriting provisions	30,648	26,510
Total underwriting provisions	24,978,867	23,992,537
D. Underwriting provisions of unit- and index-linked life insurance	5,690,232	5,329,381
E. Non-underwriting provisions		
I. Provisions for pensions and similar obligations	291,326	302,002
II. Other provisions	224,650	257,324
Total non-underwriting provisions	515,976	559,326
F. Liabilities	3,038,195	3,904,355
G. Tax liabilities out of income tax	70,808	62,818
H. Deferred tax liabilities	160,136	124,117
I. Other liabilities	210,517	216,242
Total LIABILITIES AND SHAREHOLDERS' EQUITY	40,474,026	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 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	-3,393	0	-3,393	-23	-3,416
Total profit for the period including other comprehensive income after taxes	0	0	0	109,116	-46,890	62,226	5,215	67,441
Dividend payment	0	0	0	0	0	0	-672	-672
As of 31 March 2011	132,887	2,109,003	495,602	1,829,242	125,511	4,692,245	400,755	5,093,000
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	-15,017	0	-15,017	-116,018	-131,035
Total profit for the period including other comprehensive income after taxes	0	0	0	117,713	229,675	347,388	5,923	353,311
Dividend payment	0	0	0	0	0	0	-712	-712
As of 31 March 2011	132,887	2,109,003	495,602	2,064,693	160,828	4,963,013	308,194	5,271,207

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 31 March 2012 (including comparison period)	1.1.-31.3.2012	1.1.-31.3.2011
in EUR '000		
Premiums		
Premiums written - gross	2,746,457	2,603,403
Premiums written - reinsurers' share	-282,744	-366,516
Premiums written - retention	2,463,713	2,236,887
Change in unearned premium - gross	-338,095	-347,982
Change in unearned premium - reinsurers' share	105,226	189,912
Net earned premiums - retention	2,230,844	2,078,817
Financial result excluding at equity consolidated companies		
Income from investments	393,953	411,527
Expenses for investments and interest expenses	-121,682	-160,112
Total financial result excluding at equity consolidated companies	272,271	251,415
Result from shares in at equity consolidated companies	4,728	1,788
Other income	26,128	25,546
Expenses for claims and insurance benefits		
Expenses for claims and insurance benefits - gross	-1,839,181	-1,802,846
Expenses for claims and insurance benefits - reinsurers' share	1,345	123,163
Total expenses for claims and insurance benefits	-1,837,836	-1,679,683
Acquisition and administrative expenses		
Acquisition expenses	-412,886	-392,084
Administrative expenses	-85,378	-89,024
Reinsurance commissions	33,022	24,278
Total acquisition and administrative expenses	-465,242	-456,830
Other expenses	-79,469	-78,263
Profit before taxes	151,424	142,790
Tax expense	-31,665	-27,188
Profit for the period	119,759	115,602
<i>thereof attributable to shareholders of Vienna Insurance Group</i>	<i>117,713</i>	<i>109,116</i>
<i>thereof non-controlling interests in net profit for the period</i>	<i>2,046</i>	<i>6,486</i>
Earnings per share (annualized)*		
Undiluted = diluted earnings per share (in EUR)	3.37	3.10

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

OTHER COMPREHENSIVE INCOME

	31.03.2012	31.03.2011
in EUR '000		
Profit for the period	119,759	115,602
+/- Exchange rates through equity	41,549	17,048
+/- Unrealised gains and losses from financial instruments available for sale	248,539	-45,900
Taxes on other comprehensive income*	-56,536	-19,309
Other comprehensive income after taxes	353,311	67,441
<i>thereof attributable to Vienna Insurance Group shareholders</i>	<i>347,388</i>	<i>62,226</i>
<i>thereof non-controlling interests</i>	<i>5,923</i>	<i>5,215</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 31 March 2012 (including comparison period)	1.1.-31.3.2012	1.1.-31.3.2011
in EUR '000		
Profit for the period	119,759	115,602
Change in underwriting provisions net	737,714	639,573
Change in underwriting receivables and liabilities	-259,862	-236,291
Change in deposit receivables and liabilities, as well as in reinsurance receivables and liabilities	64,899	68,229
Change in other receivables and liabilities	107,033	-50,161
Changes in securities held for trading	16,824	4,804
Gains/losses from disposal of investments	-34,210	-40,321
Depreciation/appreciation of all other investments	27,279	45,086
Change in pension, severance and other personnel provisions	-1,344	-1,196
Change in deferred tax assets/liabilities	-5,497	9,574
Change in other balance sheet items	-31,359	-31,318
Change in other intangible assets	-14,086	13,248
Other cash neutral income and expenses, and adjustments to the result for the period	-29,230	-40,672
Cash flow from operating activities	697,920	496,157
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	-130,364	-22
Cash inflow from the sale of financial instruments available for sale	920,988	815,097
Payments for the acquisition of financial instruments available for sale	-1,190,057	-1,069,367
Cash inflow from the sale of financial instruments held to maturity	101,535	35,306
Payments for the acquisition of financial instruments held to maturity	-57,416	-82,814
Cash inflow from the sale of land and buildings	4,305	4,640
Payments for the acquisition of land and buildings	-12,145	-37,404
Change in unit- and index-linked life insurance items	-94,828	-63,120
Change in other investments	-10,961	97,960
Cash flow from investing activities	-474,688	-299,724
Decrease/increase subordinated liabilities	6,000	607
Dividend payments	712	-672
Cash in- and outflow from other financing activities	-6,230	8,440
Cash flow from financing activities	482	8,375
Change in cash and cash equivalents	223,714	204,809
Cash and cash equivalents at beginning of period	568,117	396,030
Change in cash and cash equivalents	223,714	204,809
Change in scope of consolidation	-41,832	0
Foreign currency exchange differences in cash and cash equivalents	-2,117	784
Cash and cash equivalents at end of period	747,882	601,623
<i>thereof non-profit housing societies</i>	<i>94,270</i>	<i>89,265</i>
Additional information		
Received interest	182,294	217,145
Received dividends	26,242	35,408
Interest paid	20,552	21,428
Income taxes paid	18,176	16,788

SEGMENT REPORTING

CONSOLIDATED BALANCE SHEET BY LINES OF BUSINESS

ASSETS	Property/Casualty		Life		Health		Total	
	31.3.2012	31.12.2011	31.3.2012	31.12.2011	31.3.2012	31.12.2011	31.3.2012	31.12.2011
in EUR '000								
A. Intangible assets	1,363,168	1,346,322	1,035,794	1,036,048	46	54	2,399,008	2,382,424
B. Investments	7,429,024	8,311,376	19,521,666	18,812,966	1,020,689	961,050	27,971,379	28,085,392
C. Investments of unit- and index-linked life insurance	0	0	5,873,285	5,502,790	0	0	5,873,285	5,502,790
D. Reinsurers' share in underwriting provisions	1,022,171	995,257	115,577	120,132	1,575	1,674	1,139,323	1,117,063
E. Receivables	1,260,928	986,317	535,871	565,248	28,147	29,952	1,824,946	1,581,517
F. Tax receivables and advance payments	63,799	62,616	21,055	17,831	0	0	84,854	80,447
H. Other assets	149,755	153,902	166,521	164,593	9,004	9,887	325,280	328,382
I. Cash and cash equivalents	528,570	298,216	200,534	235,706	18,778	34,195	747,882	568,117
Subtotal	11,817,415	12,154,006	27,470,303	26,455,314	1,078,239	1,036,812	40,365,957	39,646,132
Deferred tax assets							108,069	123,519
Total ASSETS							40,474,026	39,769,651

LIABILITIES AND SHAREHOLDERS' EQUITY	Property/Casualty		Life		Health		Total	
	31.03.2012	31.12.2011	31.03.2012	31.12.2011	31.03.2012	31.12.2011	31.03.2012	31.12.2011
in EUR '000								
B. Subordinated liabilities	316,314	312,777	221,274	217,955	500	500	538,088	531,232
C. Underwriting provisions	5,183,233	4,796,718	18,792,059	18,215,473	1,003,575	980,346	24,978,867	23,992,537
D. Underwriting provisions of unit-linked and index-linked life insurance	0	0	5,690,232	5,329,381	0	0	5,690,232	5,329,381
E. Non-underwriting provisions	343,398	387,065	145,079	144,428	27,499	27,833	515,976	559,326
F. Liabilities	2,567,385	3,443,246	451,450	438,989	19,360	22,120	3,038,195	3,904,355
G. Tax liabilities out of income tax	52,384	52,099	16,378	10,719	2,046	0	70,808	62,818
I. Other liabilities	52,343	54,158	156,261	160,349	1,913	1,735	210,517	216,242
Subtotal	8,515,057	9,046,063	25,472,733	24,517,294	1,054,893	1,032,534	35,042,683	34,595,891
Deferred tax liabilities							160,136	124,117
Shareholders' equity							5,271,207	5,049,643
Total LIABILITIES AND SHAREHOLDERS' EQUITY							40,474,026	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

BUSINESS LINES	Property/Casualty		Life		Health		Total	
	1.1.-31.3.12	1.1.-31.3.11	1.1.-31.3.12	1.1.-31.3.11	1.1.-31.3.12	1.1.-31.3.11	1.1.-31.3.12	1.1.-31.3.11
in EUR '000								
Premiums written - gross	1,528,530	1,468,097	1,120,084	1,043,049	97,843	92,257	2,746,457	2,603,403
Net earned premiums	1,039,072	966,227	1,099,436	1,023,813	92,336	88,777	2,230,844	2,078,817
Financial result excluding at equity consolidated companies	40,079	41,026	225,574	204,472	6,618	5,917	272,271	251,415
Result from shares in at equity consolidated companies	4,369	1,533	359	255	0	0	4,728	1,788
Other income	15,735	17,045	9,988	8,478	405	23	26,128	25,546
Expenses for claims and insurance benefits	-679,398	-618,934	-1,080,972	-986,530	-77,466	-74,219	-1,837,836	-1,679,683
Acquisition and administrative expenses	-296,377	-295,559	-158,428	-151,849	-10,437	-9,422	-465,242	-456,830
Other expenses	-54,418	-57,251	-24,799	-20,840	-252	-172	-79,469	-78,263
Profit before taxes	69,062	54,087	71,158	77,799	11,204	10,904	151,424	142,790

REGIONS	Austria		Czech Republic		Slovakia		Poland	
	1.1.-31.3.12	1.1.-31.3.11	1.1.-31.3.12	1.1.-31.3.11	1.1.-31.3.12	1.1.-31.3.11	1.1.-31.3.12	1.1.-31.3.11
in EUR '000								
Premiums written - gross	1,369,177	1,284,698	494,109	514,318	192,852	188,576	319,552	258,569
Net earned premiums	1,042,569	942,490	423,095	451,647	161,725	151,926	296,981	231,680
Financial result excluding at equity consolidated companies	180,259	176,222	34,341	30,971	14,030	10,587	15,646	12,329
Result from shares in at equity consolidated companies	3,549	734	1,179	1,054	0	0	0	0
Other income	4,058	5,844	8,991	7,025	1,197	1,741	1,191	1,049
Expenses for claims and insurance benefits	-959,529	-866,068	-293,987	-321,448	-120,404	-108,945	-236,409	-171,351
Acquisition and administrative expenses	-177,566	-169,208	-110,490	-108,325	-29,862	-27,409	-58,895	-59,852
Other expenses	-17,966	-11,166	-19,321	-19,829	-10,983	-10,414	-2,223	-4,253
Profit before taxes	75,374	78,848	43,808	41,095	15,703	17,486	16,291	9,602

REGIONS	Romania		Remaining markets		Total			
	1.1.-31.3.12	1.1.-31.3.11	1.1.-31.3.12	1.1.-31.3.11	1.1.-31.3.12	1.1.-31.3.11		
in EUR '000								
Premiums written - gross			134,460	144,512	236,307	212,730	2,746,457	2,603,403
Net earned premiums			118,139	133,027	188,335	168,047	2,230,844	2,078,817
Financial result excluding at equity consolidated companies			5,264	4,894	22,731	16,412	272,271	251,415
Result from shares in at equity consolidated companies			0	0	0	0	4,728	1,788
Other income			6,767	5,853	3,924	4,034	26,128	25,546
Expenses for claims and insurance benefits			-96,234	-101,665	-131,273	-110,206	-1,837,836	-1,679,683
Acquisition and administrative expenses			-33,645	-37,826	-54,784	-54,210	-465,242	-456,830
Other expenses			-2,943	-9,250	-26,033	-23,351	-79,469	-78,263
Profit before taxes			-2,652	-4,967	2,900	726	151,424	142,790

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 MARCH 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 first quarter of 2011:

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

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

No such transactions occurred in the 1st quarter 2012.

Changes in contingent liabilities and claims

There were no substantial changes in this area during the reporting period just ended relative to the 1st quarter 2012.

INFORMATION RELATING TO THE CONSOLIDATED INCOME STATEMENT

PREMIUMS WRITTEN

Property/Casualty insurance	Gross 1.1.-31.3.2012	Gross 1.1.-31.3.2011
in EUR '000		
Direct business		
Casualty insurance	95,118	89,746
Land vehicle casco insurance	262,512	256,112
Casco of rail vehicle	520	581
Aircraft casco insurance	2,114	3,187
Sea, lake and river shipping casco insurance	2,447	2,784
Transport insurance	17,557	16,572
Fire explosion, other natural risks, nuclear energy insurance	310,742	299,950
Other property insurance	150,999	137,182
Liability insurance for farm vehicles having their own drive train	403,104	393,906
Carrier insurance	2,255	2,070
Aircraft liability insurance	1,758	3,281
Sea, lake and river shipping liability insurance	924	726
General liability insurance	179,471	169,035
Credit insurance	179	66
Guarantee insurance	3,981	4,339
Several financial losses insurance	46,691	45,072
Legal expenses insurance	14,506	14,127
Assistance insurance, travel health insurance	10,988	9,105
Subtotal	1,505,866	1,447,841
Indirect business		
Marine, aviation and transport insurance	2,426	1,676
Other insurance	20,238	18,580
Subtotal	22,664	20,256
Total Written premiums in Property and Casualty	1,528,530	1,468,097

Direct business life insurance	1.1.-31.3.2012	1.1.-31.3.2011
in EUR '000		
Regular premiums	602,774	600,069
Single premium policies	512,951	439,350
Total premiums written in Life	1,115,725	1,039,419
<i>thereof:</i>		
<i>Policies with profit participation</i>	<i>639,037</i>	<i>492,655</i>
<i>Policies without profit participation</i>	<i>91,392</i>	<i>89,478</i>
<i>Unit-linked life insurance policies</i>	<i>337,789</i>	<i>394,893</i>
<i>index-linked life insurance policies</i>	<i>47,507</i>	<i>62,393</i>

FINANCIAL RESULT

Composition: Income	Property/Casualty		Life		Health		Total	
	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.3.2012	1.1.-31.3.2011
in EUR '000								
Current income	92,034	112,054	221,177	227,870	10,160	8,693	323,371	348,617
Income from appreciations	4,727	7,122	17,744	2,747	285	0	22,756	9,869
Income from the disposal of investments	11,854	5,585	35,662	45,194	310	2,262	47,826	53,041
Total	108,615	124,761	274,583	275,811	10,755	10,955	393,953	411,527

Composition: Expenses	Property/Casualty		Life		Health		Total	
	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.3.2012	1.1.-31.3.2011
in EUR '000								
Depreciation of investments	18,536	27,206	12,650	18,964	857	1,159	32,043	47,329
Impairment of investments	31	1,162	2,873	16,932	52	128	2,956	18,222
Exchange rate changes	-2,679	1,690	1,858	4,648	205	6	-616	6,344
Loss from disposal of investments	7,518	3,903	6,250	8,428	0	658	13,768	12,989
Interest expenses	14,068	15,173	7,222	7,758	1,039	1,375	22,329	24,306
Other expenses	31,062	34,601	18,156	14,609	1,984	1,712	51,202	50,922
Total	68,536	83,735	49,009	71,339	4,137	5,038	121,682	160,112

EARNINGS PER SHARE

	1.1.-31.3.2012		1.1.-31.3.2011	
Profit for the period	EUR '000	119,759	EUR '000	115,602
Net profit for the period after non-controlling interest	EUR '000	117,713	EUR '000	109,116
Interest expenses for hybrid capital	EUR '000	9,945	EUR '000	9,863
Number of shares	Units	128,000,000	Units	128,000,000
Earnings per share (annualized)	EUR	3.37	EUR	3.10

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

EXPENSES FOR CLAIMS AND INSURANCE BENEFITS

Composition	Gross		Reinsurers' share		Retention	
	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.3.2012	1.1.-31.3.2011	1.1.-31.3.2012	1.1.-31.3.2011
in EUR '000						
Property/Casualty insurance						
Expenses for claims and insurance benefits						
Payments for claims and insurance benefits	674,601	687,140	-56,963	-119,935	617,638	567,205
Changes in provision for outstanding claims	-6,173	47,742	61,546	5,090	55,373	52,832
Subtotal	668,428	734,882	4,583	-114,845	673,011	620,037
Change in mathematical reserve	2	3	-1	-1	1	2
Change in other underwriting provisions	3,567	1,210	-2,896	-868	671	342
Expenses for premium refunds not dependent on profit	5,871	-877	-156	-570	5,715	-1,447
Total expenses	677,868	735,218	1,530	-116,284	679,398	618,934
Life insurance						
Expenses for claims and insurance benefits						
Payments for claims and insurance benefits	875,615	751,408	-6,141	-6,087	869,474	745,321
Changes in provision for outstanding claims	28,084	21,563	261	396	28,345	21,959
Subtotal	903,699	772,971	-5,880	-5,691	897,819	767,280
Change in mathematical reserve	166,108	210,049	2,779	-808	168,887	209,241
Change in other underwriting provisions	-330	-250	232	-80	-98	-330
Expenses for premium refunds dependent on and not dependent on profit	14,364	10,339	0	0	14,364	10,339
Total expenses	1,083,841	993,109	-2,869	-6,579	1,080,972	986,530
Health insurance						
Expenses for claims and insurance benefits						
Payments for claims and insurance benefits	59,283	51,523	-247	-439	59,036	51,084
Changes in provision for outstanding claims	1,159	-288	240	166	1,399	-122
Subtotal	60,442	51,235	-7	-273	60,435	50,962
Change in mathematical reserve	13,932	19,913	1	-27	13,933	19,886
Expenses for premium refunds not dependent on profit	3,098	3,371	0	0	3,098	3,371
Total expenses	77,472	74,519	-6	-300	77,466	74,219
Total	1,839,181	1,802,846	-1,345	-123,163	1,837,836	1,679,683

ACQUISITION AND ADMINISTRATIVE EXPENSES

Composition	Property/ Casualty	Life	Health	Total
	1.1.-31.3.12	1.1.-31.3.12	1.1.-31.3.12	1.1.-31.3.12
in EUR '000				
Acquisition expenses	277,886	128,155	6,845	412,886
Administrative expenses				
Pro rata personnel expenses	26,319	11,290	1,681	39,290
Pro rata material expenses	23,209	20,933	1,946	46,088
Subtotal	49,528	32,223	3,627	85,378
Received reinsurance commissions	-31,037	-1,950	-35	-33,022
Total	296,377	158,428	10,437	465,242

Composition	Property/ Casualty	Life	Health	Total
	1.1.-31.3.11	1.1.-31.3.11	1.1.-31.3.11	1.1.-31.3.11
in EUR '000				
Acquisition expenses	261,939	124,695	5,450	392,084
Administrative expenses				
Pro rata personnel expenses	25,979	11,232	1,629	38,840
Pro rata material expenses	30,144	17,667	2,373	50,184
Subtotal	56,123	28,899	4,002	89,024
Received reinsurance commissions	-22,503	-1,745	-30	-24,278
Total	295,559	151,849	9,422	456,830

OTHER INFORMATION

Employee statistics	31.3.2012	31.12.2011
Austria	6,010	6,440
Field staff	2,820	2,836
Office employees	3,190	3,604
Outside Austria	17,912	18,462
Field staff	10,293	10,570
Office employees	7,619	7,892
Total	23,922	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 three months of the financial year and their impact on the interim financial statements, and of the principal risks and uncertainties for the remaining nine 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:



Günter Geyer
General Manager, CEO
Chairman of the Managing Board



Peter Hagen
Deputy General Manager,
Member of the Managing Board



Franz Fuchs
Member of the Managing Board



Peter Höfinger
Member of the Managing Board



Franz Kosyna
Member of the Managing Board



Martin Simhandl
CFO
Member of the Managing Board

Vienna, 7 May 2012

Managing Board areas of responsibility:

Günter Geyer: Group management, strategic planning, public relations, marketing, sponsoring, legal matters, human resources; Country responsibilities: Austria (incl. coordination of s Versicherung Gruppe)

Peter Hagen: Performance management motor vehicle insurance, internal capital model project (Solvency II project), Group cost structure, VIG RE; Country responsibilities: Czech Republic

Franz Fuchs: Performance management personal insurance; Country responsibilities: Baltic States, Poland, Romania

Peter Höfinger: International corporate and large customer business, Vienna International Underwriters (VIU), reinsurance; Country responsibilities: Bulgaria, Russia, Hungary, Belarus

Franz Kosyna: Group IT/Back Office, SAP Smile Solutions; Country responsibilities: Albania (incl. Kosovo), Bosnia-Herzegovina, Croatia, Macedonia, Montenegro, Serbia, Slovakia

Martin Simhandl: Asset management, asset risk management, subsidiaries department, finance and accounting; Country responsibilities: Germany, Georgia, Liechtenstein, Turkey, Ukraine

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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.

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