



MANY BRANDS **ONE** GROUP

LETTER FROM THE CHAIRMAN OF THE MANAGING BOARD

**Dear Shareholders,
Dear Madam/Sir,**

At the beginning of the year, when I presented a rather modest forecast of premium growth in our markets, I several times encountered a lack of understanding. Many investors believed that the favourable economic upturn that was noted in 2010 should also have a strong effect on the insurance industry. The results of European insurance companies for the 1st quarter of 2011 are now available, and show a very mixed picture. In some markets the demand for life insurance declined significantly and non-life insurance is also not yet booming. In many cases investment volume is falling and consumer spending of disposable funds on durable goods that require insurance is still not very high.

Accordingly, Vienna Insurance Group results for the 1st quarter of the current year also present a mixed picture. Premiums written grew by 2.9%, to EUR 2,603 million, in total, which was in accordance with our expectations. Growth was 6.1%, rising to EUR 1,468 million, in the area of property and casualty insurance, with particular success achieved by our companies in Austria, Poland, Serbia and the Ukraine.



In life insurance premiums written declined slightly by 1.8%, to EUR 1,043 million, in the first three months of this year. This is due to the extension of the statutory lock-up period for single premium business in Austria. This makes the life insurance figures achieved by individual CEE countries even more impressive. Poland and the Czech Republic, in particular, achieved strong growth rates. I continue to see strong future potential in particular for this business segment in the CEE region.

Our profit before taxes rose by approximately 7.0% to EUR 143 million, thereby increasing at a considerably higher rate than our premium volume.

These results were achieved in an environment that was not particularly easy for our industry, and built upon an already high level. This means we can also be proud of ourselves at the international level and can fulfil our ambition of achieving a long-term increase in earnings.

Sincerely yours,

A handwritten signature in black ink, which appears to be 'G. Geyer'.

Günther Geyer

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MANAGEMENT REPORT

BUSINESS DEVELOPMENT (IN ACCORDANCE WITH IFRS)

In the 1st quarter of 2011 Vienna Insurance Group earned a total of EUR 2.6 billion of consolidated premiums written, corresponding to a plus of 2.9% compared to the same period of the previous year.

The Group profit before taxes (consolidated) amounted to EUR 142.8 million in the 1st quarter of 2011. This is a significant increase by 7.0% compared to the same period of the previous year.

The Group reported a combined ratio after reinsurance (excluding income from investments) of 97.8% in the 1st quarter of 2011 – after 98.4% in 2010.

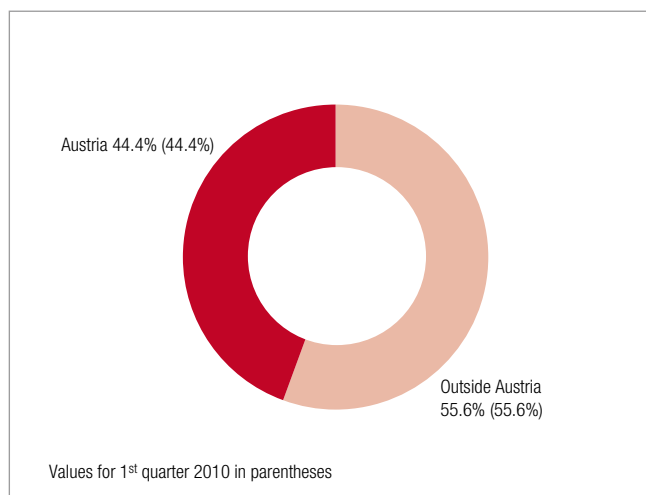
The investments of the Group amounted to EUR 28.2 billion as at 31 March 2011, while the financial result totalled EUR 253.2 million.

BUSINESS DEVELOPMENT BY LINES OF BUSINESS

Property/casualty insurance

In the property/casualty insurance segment a total of premiums of EUR 1.5 billion was written, corresponding to an increase of 6.1%.

PERCENTAGE OF PREMIUMS BY REGION IN PROPERTY/CASUALTY INSURANCE IN 1ST QUARTER 2011



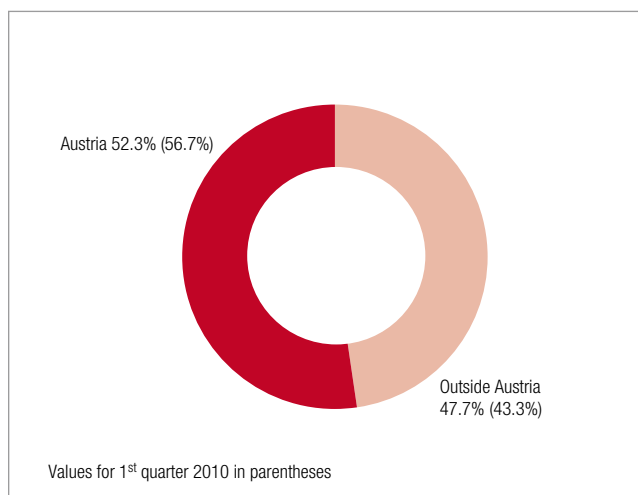
VIG is staying on course in the 1st quarter:

- > Group premiums went up by 2.9% to more than EUR 2.6 billion
- > Increase in profit before taxes by 7.0% to EUR 142.8 million
- > Strong growth in life insurance outside Austria

Life insurance

The Group companies of Vienna Insurance Group earned premiums of more than EUR 1.0 billion in the life insurance segment. A sharp growth in regular premiums of 5.9% was achieved, while single premium business – mainly due to the changed minimum lock-up period in Austria – decreased by 10.6%.

PERCENTAGE OF PREMIUMS BY REGION IN LIFE INSURANCE 1ST QUARTER 2011



Health insurance

With premiums written totalling EUR 92.3 million in the health insurance segment, Vienna Insurance Group achieved an increase by 8.8%, which is mainly attributable to the consolidation of the Georgian Group companies.

BUSINESS DEVELOPMENT BY REGION

Austria

In the 1st quarter of 2011 the Vienna Insurance Group companies in Austria reported premiums written of EUR 1.3 billion (-1.3%). In the property/casualty insurance segment premiums written increased by 6.1% to a total of EUR 651.5 million. In the life insurance segment a decline of premiums of 9.3% to a total of EUR 546.0 million was registered, which is due to the changed minimum lock-up period for single premium business.

Profit before taxes amounted to EUR 78.8 million in the 1st quarter, increasing significantly by 12.2% compared to the same period of the previous year.

The combined ratio improved to a very good 94.0%.

Czech Republic

Increasing by 13.2%, the Group companies in the Czech Republic earned premiums written of EUR 514.3 million.

In the non-life insurance segment, premiums written amounted to EUR 287.0 million (+0.7%). In the life insurance business, premiums written increased very sharply by remarkable 34.2% to a total of EUR 227.3 million.

With a market share of 33.3%, the Group companies of Vienna Insurance Group became the number one in the insurance market in the Czech Republic after the 1st quarter of 2011. Hence, Vienna Insurance Group is the market leader, both in the non-life insurance (36.6%) and in the life insurance business (29.5%).

Profit before taxes rose by pleasing 30.6% to EUR 41.1 million compared to the prior-year period.

The combined ratio stood at an excellent 94.5%.

Slovakia

The Group companies in Slovakia boosted premiums written by 3.7% to EUR 188.6 million.

Increasing by 1.8%, premiums written of EUR 103.4 million were earned in the non-life insurance segment. In the life insurance segment premiums written grew strongly by 6.3% to EUR 85.2 million.

The Vienna Insurance Group companies expanded their market share to 33.5%, strengthening their position as the number one in the Slovak insurance market.

Profit before taxes amounted to EUR 17.5 million. Compared to the prior-year period, a gratifying substantial increase by 73.3% was registered.

The combined ratio amounted to 96.4%.

Poland

Surging by 46.3%, premiums written of the Group companies of Vienna Insurance Group totalled EUR 258.6 million.

In the non-life insurance segment premiums written went up by 20.1% to EUR 162.0 million. Premiums written of EUR 96.6 million were earned in the life insurance business, rising significantly by 131.0%.

Profit before taxes climbed by more than one third to a total of EUR 9.6 million compared to the same period of the previous year.

Decreasing by close to 7%-points, the combined ratio was only slightly above 100%.

Romania

The Romanian Group companies reported premiums written of a total of EUR 144.5 million (-2.0%) in the 1st quarter of 2011.

In the non-life insurance segment a decline of premiums written to EUR 117.4 million was recorded, which is attributable to portfolio restructuring. In the life insurance business premiums written went up by 4.3% to EUR 27.1 million.

In the 1st quarter of 2011 a loss of EUR 5.0 million was posted.

The combined ratio amounted to a very unsatisfactory 110%.

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 the non-life insurance segment (incl. health insurance) premiums written grew strongly by 19.5% to EUR 151.9 million, while in the life insurance segment a decline to EUR 60.8 million was recorded. In total the Group companies of Vienna Insurance Group in this segment reported premiums written of EUR 212.7 million.

Profit before taxes amounted to EUR 0.7 million.

The combined ratio was slightly above 100%.

Segment reporting by region

in EUR mn	Gross premiums written		Profit before taxes	
	1.1.-31.3.2011	1.1.-31.3.2010	1.1.-31.3.2011	1.1.-31.3.2010
Austria	1,284.7	1,301.1	78.8	70.3
Czech Republic	514.3	454.5	41.1	31.5
Slovakia	188.6	181.8	17.5	10.1
Poland	258.6	176.7	9.6	7.1
Romania	144.5	147.4	-5.0	7.4
Remaining markets	212.7	269.5	0.7	7.0
Total	2,603.4	2,531.0	142.8	133.4

CURRENT TOPICS & OUTLOOK

CURRENT TOPICS

Supervisory Board adopts changes of Group Managing Board

Günter Geyer will – as announced – resign as Chairman of the Managing Board of the listed Vienna Insurance Group with effect 31 May 2012 – after adoption of the financial statements for the year 2011. Subsequently, Mr. Geyer will focus on strategic issues from the perspective of the main shareholder and chair Supervisory Boards of Group companies.

Based on a forward-looking approach to developing the Group management the Supervisory Board of VIG adopted the following in its meeting on 30 March 2011:

- Peter Hagen, currently Deputy General Manager, will become Chairman of the Managing Board and General Manager (Chief Executive Officer) of the listed Vienna Insurance Group with effect 1 June 2012.
- Franz Kosyna will be appointed as a member of the Managing Board of VIG with effect 1 July 2011. The title Deputy General Manager will be awarded to him with effect 1 June 2012.
- Judit Havasi will be appointed deputy member of the Managing Board with effect 1 July 2011.
- Martin Diviš will resign from the Managing Board with effect 30 June 2011 to focus his activity on the Group companies in the Czech Republic and Ukraine. He will be a deputy member of the Managing Board as from 1 July 2011.

From 1 July 2011 until 31 May 2012, the Managing Board of Vienna Insurance Group will be composed as follows:

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

As from 1 June 2012, the Managing Board of Vienna Insurance Group will be composed as follows:

- General Manager (CEO) Peter Hagen
- Deputy General Manager Franz Kosyna

- Martin Simhandl (CFO)
- Franz Fuchs
- Peter Höfingger

As from 1 July 2011, the deputy members of the Managing Board are as follows:

- Martin Diviš
- Roland Gröll
- Judit Havasi

Annual General Meeting 2011

The Annual General Meeting of the Vienna Insurance Group was held in the Wiener Stadthalle on 6 May 2011. In his remarks, General Manager Günter Geyer discussed the excellent consolidated net income achieved in 2010. A recording of his talk and the documents for the Annual General Meeting are available for download over the Internet at www.vig.com/en/annual-general-meeting.

Among other things, the 2011 Annual General Meeting adopted the following important resolutions:

Dividend increased to EUR 1.00 per share

VIG increased its profit before taxes by 15.1% to approximately EUR 508 million in financial year 2010, and increased income by 7.2% with premiums written of approximately EUR 8.6 billion. The positive result was primarily due to excellent business development in the CEE countries. In view of the good results achieved by the Group, the General Meeting approved the motion by the Managing Board to increase the dividend payment to EUR 1.00 per share.

New member of the Supervisory Board: Ms Martina Dobringer

The General Meeting elected Ms. Martina Dobringer, General Manager and Chairman of the Managing Board of Coface Austria Kreditversicherung AG, to be a member of the Supervisory Board. She takes the position previously held by Mr. Guido Klestil. Ms. Dobringer is an experienced corporate manager with ten years of experience on a wide variety of executive bodies and an outstanding knowledge of the insurance industry.

New ADR programme in the US

The Vienna Insurance Group AG Wiener Versicherung Gruppe is grouping the independent American Depositary Receipt (ADR) programmes which have existed until now into a single, sponsored Level I ADR programme, with the BNY Mellon. ADRs are securities that make it easier for US investors to invest in the Vienna Insurance Group. With the compact ADR programme, the VIG is making a clear commitment to investors in the United States.

The ADRs of the Vienna Insurance Group will only be sold over the counter (OTC) under the symbol VNRFY in US dollars, and dividend payments will likewise be made in US dollars. Five ADRs represent one share. The programme is serviced by the BNY Mellon acting as depositary, and has been active from 27 April 2011. Vienna Insurance Group shares are listed on the Vienna and Prague Stock Exchanges and will continue to be traded there independently from the ADR programme.

OUTLOOK

The management of Vienna Insurance Group confirms its forecast of January given for 2011 and expects an increase in profit before taxes of about 10% and a low percentage growth of premiums. Moreover, the Group has set itself the target of decreasing the combined ratio to about 97%. The prerequisite is, however, that the economic and legal framework will not deteriorate significantly and that damage caused by natural disasters will not develop dramatically.

CAPITAL MARKETS & INVESTOR RELATIONS

CAPITAL MARKETS

International overview

The volatile, but basically positive trend in prices that was recorded in the previous year continued at the beginning of 2011. In spite of the political instability in the Middle East, which drove the price of oil higher, thereby increasing the rate of inflation, and in spite of the uncertainty concerning macroeconomic changes in industrialised countries, the major stock exchanges around the world posted price gains until the middle of the 1st quarter. After a short period of sideways movement, prices fell significantly across the globe as the effects of the earthquake off the coast of Japan on 11 March 2011 became apparent. Serious flood damage and technical problems in a number of Japanese nuclear power plants led to a sharp drop in prices. Although the losses had mostly been recovered by the final days of the 1st quarter, the highs of the quarter were not reached again on most stock exchanges.

The US Dow Jones Industrial Index (DJI) closed with an index value of 12,319.73 points on 31 March 2011, an increase of 6.4% over the end of 2010. The increase was based on good corporate results. Performance was not quite as positive in Europe, where ongoing concerns about the creditworthiness of peripheral European countries and expectations of an interest rate increase by the ECB had a dampening effect. The Eurostoxx 50 Index performed relatively well given this situation, rising 4.2% to 2,910.91 points. As a result of the current situation, the Japanese Nikkei 225 leading index was unable to maintain its price level, and slid 4.6% compared to end of the year.

Price movements were generally restrained on emerging market stock exchanges. The CEE countries, however, recorded relatively good performance thanks to strong growth forecasts and favourable debt ratios, with the euro-calculated CECE Index rising 3.4% to 2,186.71 points.

Vienna Stock Exchange

The Vienna Stock Exchange recorded an increasing price level in the first few weeks of the quarter, closing above 3,000 for the first time again on 14 February 2011. Consistent with price movements worldwide, a significant price correction followed in March, and was not fully reversed by

the end of the quarter. As a result, the ATX leading index ended March 2011 at 2,882.18 points, slightly (0.8%) below the level at the end of 2010.

INVESTOR RELATIONS

VIG began its roadshow activities already in January, immediately after announcing its preliminary result for the year. Before the Austrian Conference organised by Nomura and the Vienna Stock Exchange in Japan, management visited interested investors in San Francisco, San Diego and Los Angeles, and made several new contacts. They then went directly from the West Coast to Tokyo, where intensive talks were held with investors who were already familiar with the Company. In February, VIG had a full schedule for the Austrian Day in London, where investors were given an update on Group development. Also in February, the Managing Board presented the Vienna Insurance Group's expectations for financial year 2011 in roadshows to Frankfurt and Zurich. In April, UBS organised a USA/Canada roadshow for VIG. Management discussed current trends and developments in the markets of Central and Eastern Europe. These topics also dominated discussion at the annual RCB Bank Conference in Zürs, which VIG attended again this year.

An important step was taken at the end of April to serve US investors. VIG has realised a sponsored ADR programme with BNY Mellon. American Depositary Receipts (ADR) are dollar-denominated share certificates issued by a depository bank that represent the shares of a foreign company and can be traded instead of them like shares in the US capital market. This gives, for example, funds that are not permitted to make direct investments in foreign securities the opportunity to hold an interest in attractive companies outside of the USA. Complete details on the ADR programme are available online at www.vig.com/ir > VIG share.

The new Deutsche Bank analysis of VIG in advance of the German & Austrian Corporate Conference in Frankfurt at the end of May brought a positive change to its previous assessment. VIG shares were upgraded from a Hold to a Buy, with a price target of EUR 46.00, meaning that Buy recommendations are the majority.

SHARE

VIENNA INSURANCE GROUP SHARES

Key share information for 1st quarter 2011

High	EUR	43.65
Low	EUR	38.37
Year-end price	EUR	40.30
Market capitalisation	EUR	5.16 bn
Dividend 2010	EUR	1.00
Average daily stock exchange trading volume*	EUR	4.74 mn

* Using single counting

VIG financial calendar*

6M results for 2011	18 August 2011
9M results for 2011	15 November 2011
Preliminary unconsolidated premiums 2011	24 January 2012
Results and embedded value for 2011	29 March 2012
Annual General Meeting	4 May 2012
Ex-dividend day	14 May 2012
Dividend payment day	14 May 2012
3M results for 2012	15 May 2012
6M results for 2012	21 August 2012
9M results for 2012	13 November 2012

* Preliminary schedule

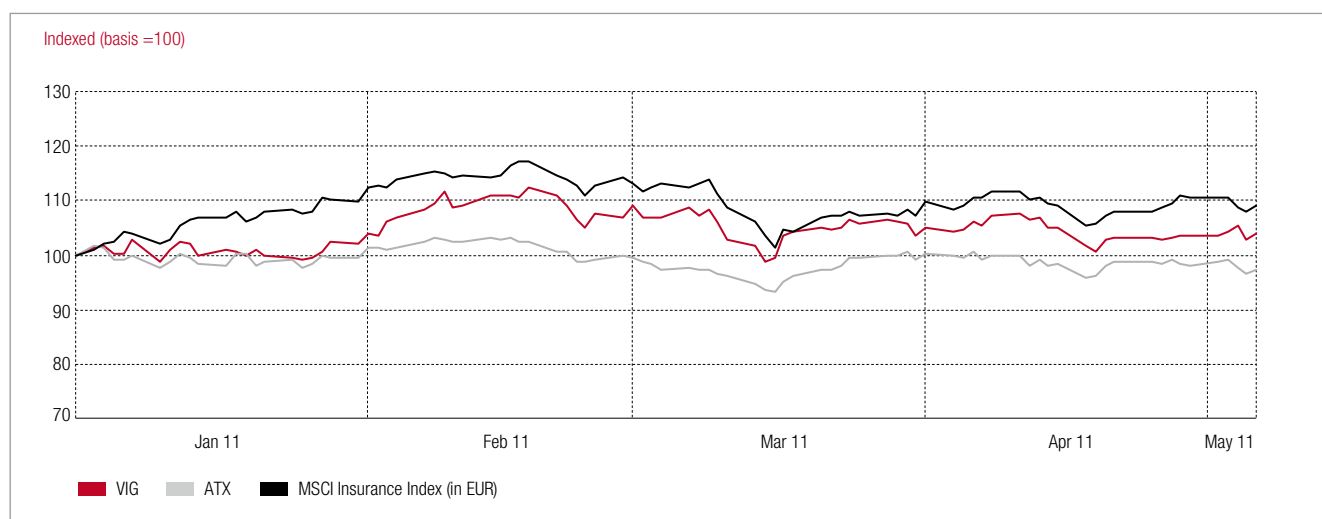
VIG share performance

The VIG share ended the 1st quarter of 2011 at a closing price of EUR 40.30, representing an increase of 3.6%. After initially moving sideways at the beginning of the year, the price of VIG shares reached its current high of EUR 43.65 on 18 February 2011. The sharp fall in prices following the earthquake disaster in Japan also had an effect on VIG shares, which recorded their lowest price so far during the year, EUR 38.37, on 15 March 2011. Since the annual results showing strong earnings were published at the end of March, the shares are once again trading at around EUR 40.

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

VIENNA INSURANCE GROUP (VIG) COMPARED TO THE ATX AND MSCI INSURANCE INDEX (IN EUR) 1 JANUARY 2011 – 6 MAY 2011



CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2011

ASSETS	31.3.2011	31.12.2010
in EUR '000		
A. Intangible assets		
I. Goodwill	1,797,200	1,796,692
II. Purchased insurance portfolios	101,911	111,029
III. Other intangible assets	193,017	196,438
Total intangible assets	2,092,128	2,104,159
B. Investments		
I. Land and buildings	4,080,024	4,071,079
II. Shares in at equity consolidated companies	116,185	116,163
III. Financial instruments	24,024,775	23,972,279
a) Loans and other investments	4,469,330	4,567,785
b) Other securities	19,555,445	19,404,494
Financial instruments held to maturity	3,161,885	3,060,983
Financial instruments available for sale	15,532,132	14,987,016
Financial instruments recognised at fair value through profit and loss*	861,428	1,356,495
Total investments	28,220,984	28,159,521
C. Investments of unit- and index-linked life insurance	5,479,405	5,478,603
D. Reinsurers' share in underwriting provisions	1,189,987	1,118,289
E. Receivables	1,915,689	1,681,458
F. Tax receivables and advance payments out of income tax	70,724	68,432
G. Deferred tax assets	97,269	107,600
H. Other assets	354,192	358,824
I. Cash and cash equivalents	601,623	396,030
Total ASSETS	40,022,001	39,472,916

* Including trading assets

CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2011

LIABILITIES AND SHAREHOLDERS' EQUITY	31.3.2011	31.12.2010
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	1,829,242	1,723,519
V. Other reserves	125,511	172,401
VI. Non-controlling interests	400,755	396,235
Total shareholders' equity	5,093,000	5,029,647
B. Subordinated liabilities	540,016	539,410
C. Underwriting provisions		
I. Unearned premiums	1,578,711	1,223,337
II. Mathematical reserve	18,376,411	18,231,511
III. Provisions for outstanding claims	3,854,495	3,767,715
IV. Provisions for premium refunds not dependent on profit	61,651	65,444
V. Provisions for profit dependent premium refunds	543,564	701,858
VI. Other underwriting provisions	29,639	27,975
Total underwriting provisions	24,444,471	24,017,840
D. Underwriting provisions for unit- and index-linked life insurance	5,316,540	5,227,930
E. Non-underwriting provisions		
I. Provisions for pensions and similar obligations	308,604	309,801
II. Other provisions	221,944	247,718
Total non-underwriting provisions	530,548	557,519
F. Liabilities	3,697,510	3,675,373
G. Tax liabilities out of income tax	68,523	64,170
H. Deferred tax liabilities	107,940	127,399
I. Other liabilities	223,453	233,628
Total LIABILITIES AND SHAREHOLDERS' EQUITY	40,022,001	39,472,916

CONSOLIDATED SHAREHOLDERS' EQUITY

Change in consolidated shareholders' equity in financial years 2011 and 2010

	Share capital	Other capital reserves	Capital reserves from hybrid-capital	Retained earnings	Other reserves	Subtotal	Minority interests	Shareholders' equity
in EUR '000								
As of 1 January 2010	132,887	2,109,003	495,602	1,478,447	123,341	4,339,280	289,293	4,628,573
Changes in scope of consolidation/ ownership interests	0	0	0	-4,798	0	-4,798	-1,081	-5,879
Total profit for the period including other comprehensive income after taxes	0	0	0	101,218	118,002	219,220	11,096	230,316
Dividend payment	0	0	0	0	0	0	-660	-660
As of 31 March 2010	132,887	2,109,003	495,602	1,574,867	241,343	4,553,702	298,648	4,852,350
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 ownership interests	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

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 2011 to 31 March 2011 (including comparative period)	1.1.-31.3.2011	1.1.-31.3.2010
in EUR '000		
Premiums		
Premiums written - Gross	2,603,403	2,530,951
Premiums written - Reinsurers' share	-366,516	-264,272
Premiums written - Retention	2,236,887	2,266,679
Change in unearned premium - Gross	-347,982	-303,092
Change in unearned premium - Reinsurers' share	189,912	83,578
Net earned premiums	2,078,817	2,047,165
Financial result excluding at equity consolidated companies		
Income from investments	411,527	413,373
Expenses for investments and interest expenses	-160,112	-103,214
Total financial result excluding at equity consolidated companies	251,415	310,159
Result from shares in at equity consolidated companies	1,788	205
Other income	25,546	32,418
Expenses for claims and insurance benefits		
Expenses for claims and insurance benefits - Gross	-1,802,846	-1,841,568
Expenses for claims and insurance benefits - Reinsurers' share	123,163	113,724
Total expenses for claims and insurance benefits	-1,679,683	-1,727,844
Operating expenses		
Acquisition expenses	-392,084	-386,862
Other administrative expenses	-89,024	-90,489
Reinsurance commissions	24,278	29,777
Total operating expenses	-456,830	-447,574
Other expenses	-78,263	-81,094
Profit before taxes	142,790	133,435
Tax expense	-27,188	-24,172
Profit for the period	115,602	109,263
thereof attributable to shareholders of Vienna Insurance Group	109,116	101,218
thereof non-controlling interests in net profit for the period	6,486	8,045
Earnings per share (annualized)		
Undiluted = diluted earnings per share (in EUR)	3.41	3.16

OTHER COMPREHENSIVE INCOME

	31.3.2011	31.3.2010
in EUR '000		
Profit for the period	115,602	109,263
+/- Exchange rates through equity	17,048	36,714
+/- Unrealised gains and losses from financial instruments available for sale	-45,900	71,404
Taxes on other comprehensive income*	-19,309	12,935
Other comprehensive income after taxes	67,441	230,316
thereof attributable to VIENNA INSURANCE GROUP shareholders	62,226	219,220
thereof non-controlling interests	5,215	11,096

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

CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 January 2011 to 31 March 2011 (including comparative period)	1.1.-31.3.2011	1.1.-31.3.2010
in EUR '000		
Profit for the period	115,602	109,263
Change in underwriting provisions net	639,573	947,336
Change in underwriting receivables and liabilities	-236,291	-363,243
Change in deposit receivables and liabilities, as well as in reinsurance receivables and liabilities	68,229	26,108
Change in other receivables and liabilities	-50,161	54,608
Changes in securities held for trading	4,804	56,172
Gains/losses from disposal of investments	-40,321	-60,285
Depreciation/appreciation of all other investments	45,086	31,243
Change in pension, severance and other personnel provisions	-1,196	-582
Change in deferred tax assets/liabilities	9,574	-3,936
Change in other balance sheet items	-31,318	-32,789
Change in other intangible assets	13,248	-4,071
Other cash-neutral income and expenses, and adjustments to the result for the period	-40,672	-151,748
Cash flow from operating activities	496,157	608,076
Cash inflow from the sale of fully and at equity consolidated companies	0	13,786
Payments for the acquisition of fully and at equity consolidated companies	-22	-25,027
Cash inflow from the sale of financial instruments available for sale	815,097	701,963
Payments for the acquisition of financial instruments available for sale	-1,069,367	-1,048,901
Cash inflow from the sale of financial instruments held to maturities	35,306	90,801
Payments for the acquisition of financial instruments held to maturity	-82,814	-114,380
Cash inflow from the sale of land and buildings	4,640	82,959
Payments for the acquisition of land and buildings	-37,404	-31,985
Change in unit- and index-linked life insurance items	-63,120	-211,579
Change in other investments	97,960	-169,509
Cash flow from investing activities	-299,724	-711,872
Capital increase incl. hybrid capital	0	0
Non-controlling interest in capital increase	0	0
Decrease/increase subordinated liabilities	607	248
Dividend payments	-672	-660
Cash in- and outflow from other financing activities	8,440	1,222
Cash flow from financing activities	8,375	810
Change in cash and cash equivalents	204,809	-102,986
Cash and cash equivalents at beginning of period	396,030	484,523
Change in cash and cash equivalents	204,809	-102,986
Change in scope of consolidation	0	61
Foreign currency exchange differences in cash and cash equivalents	784	-5,205
Cash and cash equivalents at end of period	601,623	376,393
<i>thereof non-profit housing societies</i>	<i>89,265</i>	<i>61,722</i>
Additional information		
Received interest	217,145	199,777
Received dividends	35,408	27,672
Interest paid	21,428	20,559
Income taxes paid	16,788	7,491

SEGMENT REPORTING

CONSOLIDATED BALANCE SHEET BY LINES OF BUSINESS

ASSETS	Property/Casualty		Life		Health		Total	
	31.3.2011	31.12.2010	31.3.2011	31.12.2010	31.3.2011	31.12.2010	31.3.2011	31.12.2010
in EUR '000								
A. Intangible assets	1,162,622	1,173,367	929,467	930,759	39	33	2,092,128	2,104,159
B. Investments	8,275,314	8,217,807	18,897,402	18,947,060	1,048,268	994,654	28,220,984	28,159,521
C. Investments of unit- and index-linked life insurance	0	0	5,479,405	5,478,603	0	0	5,479,405	5,478,603
D. Reinsurers' share in underwriting provisions	1,060,257	989,125	128,240	127,695	1,490	1,469	1,189,987	1,118,289
E. Receivables	1,326,770	1,111,754	564,824	545,129	24,095	24,575	1,915,689	1,681,458
F. Tax receivables and advance payments out of income tax	56,279	56,424	14,258	11,821	187	187	70,724	68,432
H. Other assets	181,357	188,437	166,872	163,638	5,963	6,749	354,192	358,824
I. Cash and cash equivalents	242,729	220,266	303,324	149,123	55,570	26,641	601,623	396,030
Subtotal	12,305,328	11,957,180	26,483,792	26,353,828	1,135,612	1,054,308	39,924,732	39,365,316
Deferred tax assets							97,269	107,600
Total ASSETS							40,022,001	39,472,916

LIABILITIES AND SHAREHOLDERS' EQUITY	Property/Casualty		Life		Health		Total	
	31.3.2011	31.12.2010	31.3.2011	31.12.2010	31.3.2011	31.12.2010	31.3.2011	31.12.2010
in EUR '000								
B. Subordinated liabilities	314,783	314,339	224,733	224,571	500	500	540,016	539,410
C. Underwriting provisions	5,036,871	4,638,882	18,459,334	18,456,683	948,266	922,275	24,444,471	24,017,840
D. Underwriting provisions of unit- and index-linked life insurance	0	0	5,316,540	5,227,930	0	0	5,316,540	5,227,930
E. Non-underwriting provisions	325,079	348,554	173,126	176,237	32,343	32,728	530,548	557,519
F. Liabilities	3,148,804	3,084,129	498,716	532,774	49,990	58,470	3,697,510	3,675,373
G. Tax liabilities out of income tax	44,693	40,389	9,641	11,769	14,189	12,012	68,523	64,170
I. Other liabilities	54,653	59,778	168,197	173,036	603	814	223,453	233,628
Subtotal	8,924,883	8,486,071	24,850,287	24,803,000	1,045,891	1,026,799	34,821,061	34,315,870
Deferred tax liabilities							107,940	127,399
Shareholders' equity							5,093,000	5,029,647
Total LIABILITIES AND SHAREHOLDERS' EQUITY							40,022,001	39,472,916

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.-31.3.11	1.1.-31.3.10	1.1.-31.3.11	1.1.-31.3.10	1.1.-31.3.11	1.1.-31.3.10	1.1.-31.3.11	1.1.-31.3.10
in EUR '000								
Premiums written - Gross	1,468,097	1,384,074	1,043,049	1,062,099	92,257	84,778	2,603,403	2,530,951
Net earned premiums	966,227	918,411	1,023,813	1,047,437	88,777	81,317	2,078,817	2,047,165
Financial result excluding at equity consolidated companies	41,026	66,927	204,472	238,502	5,917	4,730	251,415	310,159
Result from shares in at equity consolidated companies	1,533	643	255	-438	0	0	1,788	205
Other income	17,045	8,599	8,478	23,817	23	2	25,546	32,418
Expenses for claims and insurance benefits	-618,934	-599,825	-986,530	-1,060,877	-74,219	-67,142	-1,679,683	-1,727,844
Operating expenses	-295,559	-265,067	-151,849	-173,265	-9,422	-9,242	-456,830	-447,574
Other expenses	-57,251	-43,343	-20,840	-37,607	-172	-144	-78,263	-81,094
Profit before taxes	54,087	86,345	77,799	37,569	10,904	9,521	142,790	133,435

REGIONS	Austria		Czech Republic		Slovakia		Poland	
	1.1.-31.3.11	1.1.-31.3.10	1.1.-31.3.11	1.1.-31.3.10	1.1.-31.3.11	1.1.-31.3.10	1.1.-31.3.11	1.1.-31.3.10
in EUR '000								
Premiums written - Gross	1,284,698	1,301,110	514,318	454,459	188,576	181,765	258,569	176,719
Net earned premiums	942,490	980,675	451,647	392,636	151,926	147,652	231,680	157,052
Financial result excluding at equity consolidated companies	176,222	232,945	30,971	28,561	10,587	10,832	12,329	16,498
Result from shares in at equity consolidated companies	734	-303	1,054	508	0	0	0	0
Other income	5,844	2,531	7,025	3,571	1,741	1,075	1,049	1,235
Expenses for claims and insurance benefits	-866,068	-970,359	-321,448	-277,015	-108,945	-114,212	-171,351	-96,504
Operating expenses	-169,208	-166,878	-108,325	-98,664	-27,409	-25,058	-59,852	-68,678
Other expenses	-11,166	-8,325	-19,829	-18,131	-10,414	-10,199	-4,253	-2,434
Profit before taxes	78,848	70,286	41,095	31,466	17,486	10,090	9,602	7,169

REGIONS	Romania		Remaining markets		Total			
	1.1.-31.3.11	1.1.-31.3.10	1.1.-31.3.11	1.1.-31.3.10	1.1.-31.3.11	1.1.-31.3.10		
in EUR '000								
Premiums written - Gross			144,512	147,398	212,730	269,500	2,603,403	2,530,951
Net earned premiums			133,027	135,180	168,047	233,970	2,078,817	2,047,165
Financial result excluding at equity consolidated companies			4,894	4,882	16,412	16,441	251,415	310,159
Result from shares in at equity consolidated companies			0	0	0	0	1,788	205
Other income			5,853	4,207	4,034	19,799	25,546	32,418
Expenses for claims and insurance benefits			-101,665	-89,798	-110,206	-179,956	-1,679,683	-1,727,844
Operating expenses			-37,826	-38,287	-54,210	-50,009	-456,830	-447,574
Other expenses			-9,250	-8,772	-23,351	-33,233	-78,263	-81,094
Profit before taxes			-4,967	7,412	726	7,012	142,790	133,435

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 MARCH 2011

Summary of significant accounting policies

The consolidated financial statements for the 1st quarter of 2011 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

PJSC Insurance Company "Ukrainian Insurance Group", Kiev, JSC "Insurance Company GPI Holding", Tbilisi, International Insurance Company IRAO Ltd., Tbilisi, and TBIH Financial Services Group N.V., Amsterdam, were fully consolidated in the Vienna Insurance Group for the first time in the 3rd quarter of 2010. Ray Sigorta A.Ş. was previously proportionally consolidated and was likewise fully consolidated for the first time in the 3rd quarter of 2010.

In addition, during the 1st half of 2010, our two Croatian companies, Helios Vienna Insurance Group d.d. and Cosmopolitan Life Vienna Insurance Group d.d., were merged. The combined entity now does business under the name Helios Vienna Insurance Group d.d.

The three non-profit housing societies Neuland gemeinnützige Wohnbau-Gesellschaft m.b.H., Vienna, Sozialbau gemeinnützige Wohnungsaktiengesellschaft, Vienna, Urbanbau Gemeinnützige Bau-, Wohnungs- und Stadterneuerungsgesellschaft m.b.H., Vienna, as well as VIG REAL ESTATE DOO, Belgrade, were also fully consolidated in the Vienna Insurance Group financial statements for the first time in 2010.

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

No such transactions occurred in the 1st quarter of 2011.

Changes in contingent liabilities and claims

There were no changes in this area during the reporting period just ended relative to the 1st quarter of 2010.

INFORMATION RELATING TO THE CONSOLIDATED INCOME STATEMENT

PREMIUMS WRITTEN

Property/Casualty insurance	Gross 1.1.-31.3.2011	Gross 1.1.-31.3.2010
in EUR '000		
Direct business		
Casualty insurance	89,746	84,442
Land vehicle own-damage insurance	256,112	261,752
Rail vehicle own-damage insurance	581	509
Aircraft own-damage insurance	3,187	1,726
Sea, lake and river shipping own-damage insurance	2,784	2,124
Transport insurance	16,572	16,177
Fire explosion, other natural risks, nuclear. Energy	299,950	274,937
Other property (with exception of 3-7)	137,182	142,554
Carrier insurance	2,070	1,787
Aircraft liability insurance	3,281	2,907
Sea, lake and river shipping liability insurance	726	719
General liability insurance	169,035	134,248
Liability insurance for farm vehicles having their own drive train	393,906	376,195
Credit insurance	66	195
Guarantee insurance	4,339	4,111
Insurance for miscellaneous financial losses	45,072	42,945
Legal expenses insurance	14,127	14,055
Assistance insurance, travel health insurance	9,105	7,356
Subtotal	1,447,841	1,368,739
Indirect business		
Marine, aviation and transport insurance	1,676	537
Other insurance	18,580	14,798
Subtotal	20,256	15,335
Total premiums written in property/casualty	1,468,097	1,384,074
Direct business life insurance	1.1.-31.3.2011	1.1.-31.3.2010
in EUR '000		
Regular premiums	600,069	566,611
Single premium policies	439,350	491,291
Total gross premiums written (direct)	1,039,419	1,057,902
thereof:	1,039,419	1,057,902
Policies with profit participation	492,655	549,536
Policies without profit participation	89,478	77,145
Unit-linked life insurance policies	394,893	326,997
Index-linked life insurance policies	62,393	104,224

FINANCIAL RESULT

Composition: Income	Property/Casualty		Life		Health		Total	
	1.1.-31.3.2011	1.1.-31.3.2010	1.1.-31.3.2011	1.1.-31.3.2010	1.1.-31.3.2011	1.1.-31.3.2010	1.1.-31.3.2011	1.1.-31.3.2010
in EUR '000								
Current income	112,054	41,921	227,870	256,978	8,693	9,636	348,617	308,535
Income from appreciations	7,122	6,207	2,747	25,383	0	206	9,869	31,796
Income from the disposal of investments	5,585	39,468	45,194	32,036	2,262	1,538	53,041	73,042
Total	124,761	87,596	275,811	314,397	10,955	11,380	411,527	413,373

Composition: Expenses	Property/Casualty		Life		Health		Total	
	1.1.-31.3.2011	1.1.-31.3.2010	1.1.-31.3.2011	1.1.-31.3.2010	1.1.-31.3.2011	1.1.-31.3.2010	1.1.-31.3.2011	1.1.-31.3.2010
in EUR '000								
Depreciation of investments	27,206	4,606	18,964	25,263	1,159	1,097	47,329	30,966
Impairment of investments	1,162	2,892	16,932	4,140	128	2,605	18,222	9,637
Exchange rate changes	1,690	12	4,648	-1,134	6	4	6,344	-1,118
Loss from disposal of investments	3,903	3,105	8,428	8,943	658	359	12,989	12,407
Interest expenses	15,173	6,405	7,758	18,877	1,375	1,529	24,306	26,811
Other expenses	34,601	3,649	14,609	19,806	1,712	1,056	50,922	24,511
Total	83,735	20,669	71,339	75,895	5,038	6,650	160,112	103,214

EARNINGS PER SHARE

	1.1.-31.3.2011		1.1.-31.3.2010	
Profit for the period	EUR '000	115,602	EUR '000	109,263
Net profit for the period after non-controlling interests	EUR '000	109,116	EUR '000	101,218
Number of shares	Units	128,000,000	Units	128,000,000
Earnings per share (annualized)	EUR	3.41	EUR	3.16

EXPENSES FOR CLAIMS AND INSURANCE BENEFITS

Composition	Gross		Reinsurers' share		Retention	
	1.1.-31.3.2011	1.1.-31.3.2010	1.1.-31.3.2011	1.1.-31.3.2010	1.1.-31.3.2011	1.1.-31.3.2010
in EUR '000						
Property/Casualty insurance						
Expenses for claims and insurance benefits						
Payments for claims and insurance benefits	687,140	652,513	-119,935	-112,446	567,205	540,067
Changes in provision for outstanding claims	47,742	40,652	5,090	5,662	52,832	46,314
Subtotal	734,882	693,165	-114,845	-106,784	620,037	586,381
Change in mathematical reserve	3	4	-1	-1	2	3
Change in other underwriting provisions	1,210	7,275	-868	-809	342	6,466
Expenses for premium refunds not dependent on profit	-877	6,988	-570	-13	-1,447	6,975
Total expenses	735,218	707,432	-116,284	-107,607	618,934	599,825
Life insurance						
Expenses for claims and insurance benefits						
Payments for claims and insurance benefits	751,408	616,455	-6,087	-5,372	745,321	611,083
Changes in provision for outstanding claims	21,563	13,540	396	-917	21,959	12,623
Subtotal	772,971	629,995	-5,691	-6,289	767,280	623,706
Change in mathematical reserve	210,049	362,816	-808	-508	209,241	362,308
Change in other underwriting provisions	-250	-501	-80	-20	-330	-521
Expenses for premium refunds dependent on and not dependent on profit	10,339	75,384	0	0	10,339	75,384
Total expenses	993,109	1,067,694	-6,579	-6,817	986,530	1,060,877
Health insurance						
Expenses for claims and insurance benefits						
Payments for claims and insurance benefits	51,523	49,334	-439	705	51,084	50,039
Changes in provision for outstanding claims	-288	2,047	166	3	-122	2,050
Subtotal	51,235	51,381	-273	708	50,962	52,089
Change in mathematical reserve	19,913	11,978	-27	-8	19,886	11,970
Expenses for premium refunds not dependent on profit	3,371	3,083	0	0	3,371	3,083
Total expenses	74,519	66,442	-300	700	74,219	67,142
Total	1,802,846	1,841,568	-123,163	-113,724	1,679,683	1,727,844

OPERATING EXPENSES

Composition	Property/ Casualty	Life	Health	Total
	1.1.-31.3.2011	1.1.-31.3.2011	1.1.-31.3.2011	1.1.-31.3.2011
in EUR *000				
Acquisition expenses	261,939	124,695	5,450	392,084
Subtotal	261,939	124,695	5,450	392,084
Administrative expenses	56,123	28,899	4,002	89,024
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

Composition	Property/ Casualty	Life	Health	Total
	1.1.-31.3.2010	1.1.-31.3.2010	1.1.-31.3.2010	1.1.-31.3.2010
in EUR *000				
Acquisition expenses	240,018	140,883	5,961	386,862
Subtotal	240,018	140,883	5,961	386,862
Administrative expenses	53,178	34,001	3,310	90,489
Pro rata personnel expenses	28,591	14,473	1,333	44,397
Pro rata material expenses	24,587	19,528	1,977	46,092
Subtotal	53,178	34,001	3,310	90,489
Received reinsurance commissions	-28,129	-1,619	-29	-29,777
Total	265,067	173,265	9,242	447,574

OTHER INFORMATION

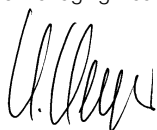
Employee statistics	31.3.2011	31.12.2010
Austria	6,512	6,493
Field staff	2,836	2,875
Office employees	3,676	3,618
Outside Austria	18,386	18,513
Field staff	10,195	10,373
Office employees	8,191	8,140
Total	24,898	25,006

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, 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:



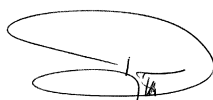
Günter Geyer
General Manager, CEO
Chairman of the Managing Board



Peter Hagen
Deputy General Manager
Member of the Managing Board



Martin Simhandl
CFO
Member of the Managing Board



Martin Diviš
Member of the Managing Board



Franz Fuchs
Member of the Managing Board



Peter Höfing
Member of the Managing Board

Vienna, 6 May 2011

Managing Board areas of responsibility:

Dr. Günter Geyer: Group management, strategic planning, public relations, marketing, sponsoring, legal matters, human resources;
Country responsibilities: Austria (including branch offices in Italy and Slovenia), Slovakia

Dr. Peter Hagen: Group cost structure, Group IT/Back Office, SAP Smile Solutions, VIG RE, internal capital model project (Solvency II project)

Dr. Martin Simhandl: asset management, asset risk management, equity investment management, finance and accounting;
Country responsibilities: Germany, Liechtenstein, Turkey

Ing. Martin Diviš, MBA: performance management motor vehicle insurance; Country responsibilities: Georgia, Czech Republic, Ukraine

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

Mag. Peter Höfing: international corporate and large customer business, Vienna International Underwriters (VIU), reinsurance;
Country responsibilities: Bulgaria, Montenegro, Russia, Serbia, Hungary, Belarus

MEDIA PUBLISHER AND OWNER

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

Editorial deadline: 6 May 2011

The interim report can be downloaded as a PDF file in German or English from our website at:
www.vig.com/en/downloads

Project coordination: General Secretariat, Mag. Petra Ringle
Design: General Secretariat and Advertising Department WIENER STÄDTISCHE
Versicherung AG
Photo of General Manager: Udo Titz
Produced inhouse using FIRE.sys.

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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17PG008/E1-11