



CLEAR NUMBERS, CLEAR WORDS

We aim for openness and transparency – in every quarter.

LETTER OF THE CHAIRMAN OF THE MANAGING BOARD

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

Even though the market environment for insurance companies in particular and for economic development in general remains highly challenging, Vienna Insurance Group achieved solid results in the 1st half of 2013. Due to the restraint in short-term single-premiums in Poland, total premiums for the first six months were EUR 5,029.7 million (-4.8%). Without this special effect from Poland, the Group recorded a 2.2% increase in premiums. Profit before taxes was EUR 205.7 million and, in line with our traditionally cautious valuation policy, included goodwill impairments and precautions of EUR 125 million that VIG is using to respond to the ongoing difficult situation in the Romanian insurance market and the significant increase in expected incurred but not reported claims in the motor vehicle business of the Italian Donau branch. Looking at our profit before these measures shows that in the 1st half of 2013, our operating result rose by a satisfying 9.5% to EUR 330.7 million. This confirms VIG's continuing solid business development, which is also able to withstand difficult market situations.

The developments in the 1st half of 2013 reflect in part the heterogeneity of the Central and Eastern Europe insurance markets – a region to which we have a clear commitment as our home market. The economic catch-up process is progressing at different speeds, being similar to a step function that shows growth spurts and periods of calm. In addition to the significant increase in profit in the Remaining Markets segment, the CEE region as a whole also recorded a satisfying 3.6% increase in profits, despite the difficult conditions in Romania. Profit also rose in the Czech Republic and Poland. Severe weather claims, on the other hand, naturally reduced profits, especially the flood events starting at the end of May. We made around EUR 230 million in payments to our customers for weather



damage – with around EUR 180 million due to the flooding alone. As a result, claims were three times higher than in the same period of the previous year. Of this, VIG retained more than EUR 70 million after deducting claims covered by reinsurance.

Performance continues to be less satisfying in Romania, where we are refusing to take part in price dumping in the area of motor vehicle insurance. Not only that, we have also actively applied extensive measures to effect a turnaround in Romania.

We continue to believe in the enormous potential of Austria and the Central and Eastern Europe region with its 180 million inhabitants and, therefore, potential customers. Aside from market and product-specific initiatives, we intend to further strengthen our organisation and make it even more efficient as well as continuing to intensify our successful cooperation with Erste Group.

Peter Hagen

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ECONOMIC ENVIRONMENT

Overall economic performance in the 1st half of 2013 in Austria was generally characterised by a weak 1st quarter followed by a slight recovery up to the middle of the year. According to WIFO (Austrian Institute of Economic Research), gross value added was 0.7% lower in the 1st quarter of 2013 than the 1st quarter of the previous year, which was macroeconomically stronger. Overall economic productivity also declined by 1.3% in the same period. Interest rates remained unchanged at a low level in the 1st quarter of 2013 and even decreased further in the 2nd quarter.

According to wiiw (Vienna Institute for International Economic Studies), labour productivity was moderate in most CEE countries in the 1st quarter of 2013. Poland, the Czech Republic and Hungary showed a decline compared to the 1st quarter of the previous year. Slovakia showed weaker growth. GDP fell year-on-year in the 1st quarter of 2013 by 2.9% in the Czech Republic and 0.9% in Hungary, while Poland (+0.5%) and Slovakia (+0.6%) showed small increases. In view of the continuing global economic slowdown, the European Commission relaxed deficit targets in the 2nd quarter of 2013. The loans for Portugal were extended and a package of measures was provided for Cyprus. These measures could also benefit countries in the CEE region.

BUSINESS DEVELOPMENT (IN ACCORDANCE WITH IFRS)

Due primarily to the restraint in premiums from short-term single-premium life insurance products in Poland and the ongoing difficult situation in the Romanian insurance market, Group premiums written by Vienna Insurance Group declined 4.8% year-on-year in the 1st half of 2013 to EUR 5,029.7 million.

Expenses for claims and insurance benefits less reinsurers' share were EUR 3,734.7 million in the first six months of this year. This represents a year-on-year fall of 5.3%, in spite of storm events in Austria and Central and Eastern Europe.

VIG in the 1st half of 2013:

- > Operating result rises by 9.5% to EUR 330.7 million
- > Profit before taxes of EUR 205.7 million due to precautions and impairment
- > Premium volume of EUR 5,029.7 million
- > Administrative costs fell by 4.4%
- > Combined ratio of 99.8%

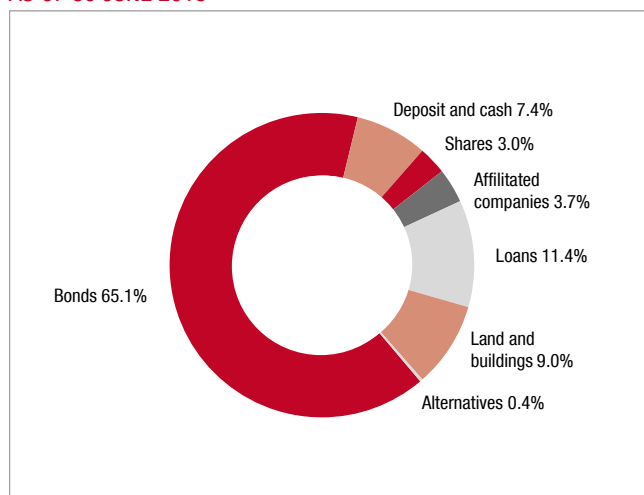
Acquisition and administrative expenses less reinsurance commissions received were EUR 936.2 million in the 1st half of 2013, representing an increase of 2.9% over the same period in the previous year. Administrative costs fell by 4.4%.

Group profit before taxes was EUR 205.7 million, 31.9% below the value for the same period in the previous year. This decrease is primarily due to precautions of EUR 35 million for Donau Versicherung's business in Italy, and EUR 90 million in precautions and goodwill impairment for Romania. By contrast, operating profit in the 1st half of 2013, adjusted for these measures, rose by 9.5% to EUR 330.7 million.

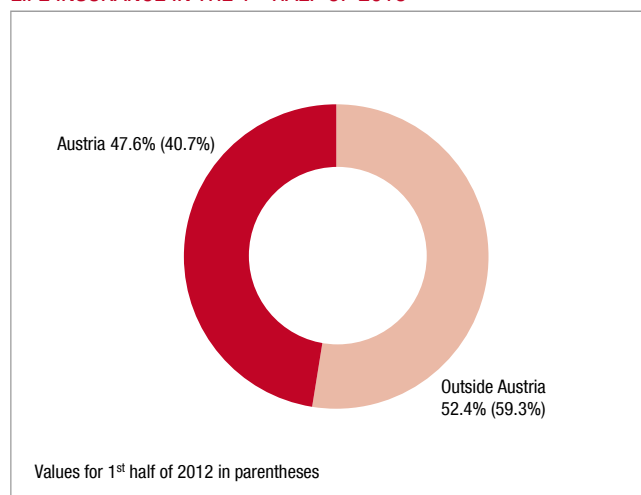
The Group's combined ratio after reinsurance (not including investment income) was 99.8% in the 1st half of 2013. It could be kept below 100% in spite of high payments in connection with severe weather claims and extensive precautionary measures.

Group investments including cash and cash equivalents were EUR 29.4 billion as of 30 June 2013. The financial result was EUR 593.0 million, an increase of 1.9% compared to the 1st half of 2012.

BREAKDOWN OF INVESTMENT AS OF 30 JUNE 2013



PERCENTAGE OF PREMIUMS BY REGION IN LIFE INSURANCE IN THE 1ST HALF OF 2013

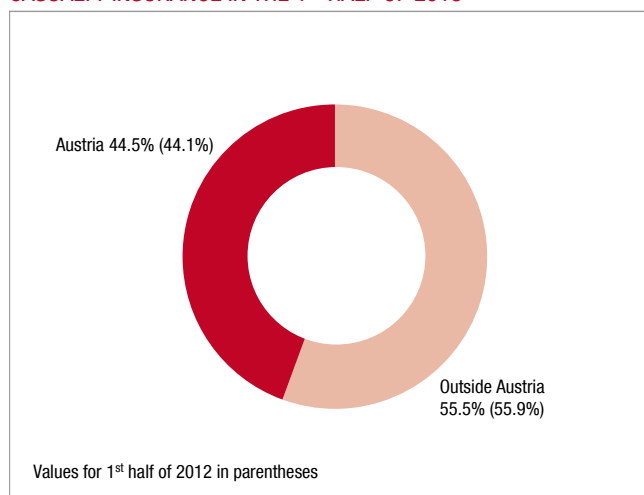


BUSINESS DEVELOPMENT BY LINES OF BUSINESS

Property and casualty insurance

Premiums written in the property and casualty insurance segment totalled EUR 2,617.9 million in the 1st half of 2013. This corresponds to a decrease of 0.2%.

PERCENTAGE OF PREMIUMS BY REGION IN PROPERTY AND CASUALTY INSURANCE IN THE 1ST HALF OF 2013



Life insurance

Vienna Insurance Group companies wrote premiums of EUR 2,212.6 million in the life segment in the 1st half of this year. This year-on-year decrease of 10.3% was primarily due to the intentional restraint in single premiums in Poland mentioned above.

Health insurance

In the 1st half of the current year, the Group wrote premiums of EUR 199.1 million in the health insurance segment; a solid increase of 2.5%.

Business development by lines of business

in EUR million	Premiums written		Profit before taxes	
	1.1.-30.6.2013	1.1.-30.6.2012	1.1.-30.6.2013	1.1.-30.6.2012
Property/ Casualty	2,617.9	2,622.4	39.2	166.9
Life	2,212.6	2,466.2	144.8	112.4
Health	199.1	194.2	21.7	22.7
Total	5,029.7	5,282.9	205.7	302.0

Business development by region

in EUR million	Premiums written		Profit before taxes	
	1.1.-30.6.2013	1.1.-30.6.2012	1.1.-30.6.2013	1.1.-30.6.2012
Austria	2,373.7	2,324.6	112.3	135.9
Czech Republic	898.4	908.3	90.2	88.5
Slovakia	375.0	358.4	24.6	28.0
Poland	609.7	952.2	33.2	22.7
Romania	196.3	235.9	-17.9	-5.8
Remaining markets*	530.9	477.3	22.6	12.5
Central functions**	677.5	595.9	-59.4	20.2
Consolidation	-632.0	-569.7	0.0	0.2
Total	5,029.7	5,282.9	205.7	302.0

* Remaining markets: Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Estonia, Georgia, Germany, Hungary, Latvia, Liechtenstein, Lithuania, Macedonia, Serbia, Turkey, Ukraine

** Central functions include the following companies: BIAC, Central Point, ELVP, LVP, Neue Heimat Holding, Progress, TBIH, VIG Fund, VIG Holding, VIG RE and the non-profit housing societies

BUSINESS DEVELOPMENT BY REGION

Austria

The Austrian Group companies of VIG wrote premiums of EUR 2,373.7 million in the 1st half of 2013, corresponding to an increase of 2.1%.

In property and casualty insurance, the Group recorded stable premiums of EUR 1,145.8 million (-0.2%). In life insurance, premiums rose by 4.7% to EUR 1,049.9 million. In health insurance, the Austrian Group companies wrote premiums of EUR 177.9 million - an increase of 2.5%.

Profit before taxes was EUR 112.3 million. The decline of 17.4% was due to the precautions for the motor vehicle insurance business of Donau Versicherung in Italy. These precautions, together with severe weather claims, were the main reason for the combined ratio of 102.3%.

Czech Republic

The Group companies in the Czech Republic wrote premiums of EUR 898.4 million in the 1st half of the current year. The slight year-on-year decrease of 1.1% is primarily due to exchange rate changes. Excluding exchange rate

effects, the Czech Group companies recorded a premium increase of 1.0%.

Non-life premiums written fell by 5.4% to EUR 483.9 million. In life insurance, premiums written totalled EUR 414.6 million, an increase of 4.5%. The cooperation with Erste Group proved to be especially beneficial in this area. With an increase of 7.6% by its bank distribution the Czech Group company PČS made a significant contribution to premium growth in the life segment.

Profit before taxes increased by 2.0% year-on-year to EUR 90.2 million. The combined ratio was an excellent 93.7%, despite significant storm claims.

Slovakia

The Slovakian Vienna Insurance Group companies increased their premiums written by 4.6% to EUR 375.0 million in the 1st half of 2013.

With an increase of 1.2%, premiums written rose to EUR 178.5 million in the non-life segment. The life insurance segment also saw premiums written grow by 7.9% to EUR 196.4 million. This increase was due to the strong performance of the Slovakian Group company Kooperativa, primarily in the single-premium area.

Profit before taxes declined year-on-year by 12.0% to EUR 24.6 million. The combined ratio was a very good 95.2%.

Poland

The short-term single-premium life insurance business was reduced considerably in the 1st half of 2013. This resulted in a planned decrease in the volume of short-term single-premium products and, consequently, premiums written of 36.0% to EUR 609.7 million. Adjusted for this extraordinary effect, premiums written by the Polish Group companies rose by 3.4%.

The non-life segment generated premiums written of EUR 293.9 million. Premium volume in the life insurance segment was EUR 315.9 million in the 1st half of 2013.

Profit before taxes recorded another double-digit increase, rising 46.6% year-on-year to EUR 33.2 million. This increase seamlessly continued the excellent performance attained by the Polish Group companies in the previous years. The combined ratio also fell again to reach an excellent level of 95.5%, despite severe weather claims.

Romania

Due to continuing difficult market conditions, the Romanian Group companies wrote premiums totalling EUR 196.3 million in the 1st half of the current year, a decrease of 16.8%.

The Romanian insurance market continues to be affected by intensive price competition. Due to the risk/return-oriented price policy for restructuring the portfolio, the non-life segment recorded a decrease of 16.4% in premiums written to EUR 154.1 million. Premiums written in life insurance declined by 18.0% in the 1st half of 2013 to EUR 42.3 million.

The loss in the 1st half of 2013 increased year-on-year to EUR 17.9 million due to precautions made. As a result of the ongoing highly challenging market environment and continuing high competitive pressure in the motor vehicle line of business, the combined ratio was significantly higher than 100%.

Remaining Markets

The Remaining Markets segment includes Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Estonia, Georgia, Germany, Hungary, Latvia, Liechtenstein, Lithuania, Macedonia, Serbia, Turkey and Ukraine.

In this segment, Vienna Insurance Group companies achieved premiums written of EUR 530.9 million, a significant increase of 11.2%. The non-life segment saw premiums written increase by 14.8% to EUR 342.2 million. In life insurance, there was an increase in premiums written of 5.4% to EUR 188.7 million.

Profit before taxes recorded a significant increase of 81.2% to EUR 22.6 million in the 1st half of 2013. This strong performance was primarily due to the markets in

Croatia, the Ukraine, Turkey, the three Baltic States and Hungary. At the same time, the combined ratio showed a clear improvement, falling to 98.1%.

Central functions

The "Central Functions" segment includes the following companies: BIAC, Central Point, ELVP, LVP, Neue Heimat Holding, Progress, TBIH, VIG Fund, VIG Holding, VIG RE and the non-profit housing societies.

VIG Holding primarily focuses on the managerial tasks for the Group. It is also active as a reinsurer and in the international corporate business. Premiums written in these areas increased 13.7% in the 1st half of 2013 to EUR 677.5 million.

The reported loss of EUR 59.4 million is primarily due to goodwill impairment of EUR 75 million in the Romanian non-life segment.

EMPLOYEES

Vienna Insurance Group had a total of 22,929 employees in the 1st half of 2013, which was 1,157 fewer than in 2012 as a whole. This decrease was mainly due to the change in consolidation method (from fully consolidated to at equity) for non-profit housing societies and the continued difficult business development in Romania.

BUSINESS DEVELOPMENT IN THE 2ND QUARTER OF 2013

In the 2nd quarter of 2013, Vienna Insurance Group achieved consolidated premiums written totalling EUR 2,324.4 million, a decrease of 8.4% compared to the same period in the previous year.

Expenses for claims and insurance benefits less reinsurers' share were EUR 1,915.0 million in the 2nd quarter of 2013, a decrease of 9.1% compared to the 2nd quarter of 2012.

Acquisition and administrative expenses less reinsurance commissions received were EUR 463.3 million in the

2nd quarter of the current year, representing an increase of 4.2% compared to the same period in the previous year.

Profit before taxes was EUR 46.3 million in the 2nd quarter of 2013, which represents a decrease of 69.2% compared to the 2nd quarter of 2012.

The financial result for the 2nd quarter of this year was EUR 322.8 million. This represents a year-on-year increase of 5.9%.

SIGNIFICANT EVENTS AFTER THE FINANCIAL STATEMENTS WERE PREPARED

Sale of shares in the Bulgarian pension fund Doverie

In July 2013, Vienna Insurance Group concluded its negotiations to sell its indirect interest of more than 92% in the Bulgarian pension fund Doverie to United Capital PLC. VIG does not include pension funds as part of its core business. The sale allows the Company to concentrate more on insurance activities in the property and life insurance areas of the Bulgarian market. The sale is conditional on administrative approval in accordance with statutory regulations in Bulgaria.

Repurchase of hybrid capital

Vienna Insurance Group issued a total of EUR 500 million in hybrid capital in 2008 and 2009 under its Hybrid Debt Issuance Programme. The first tranche of EUR 250 million was placed on the capital market in June 2008 and the second tranche of EUR 250 million in April 2009. In August, the second tranche was repurchased prior to maturity.

RISK REPORT

The core business of Vienna Insurance Group consists of assuming risk. A conscious and controlled handling of risks at all levels of the Group therefore forms the basis for sustainable business development. In order to ensure this sustainability, VIG follows a conservative risk policy that forms the foundation of an integrated risk management system that is an integral part of the structural and process organisation of the Company. Local risk departments and a coordinating risk management department at holding company level assist the Vienna Insurance Group

operational departments with Group-wide risk management processes, while continuously promoting the risk awareness of each employee and the existing risk culture in the entire Group.

The risk management processes themselves ensure that all risks in the Group can be promptly and appropriately identified, assessed, analysed and controlled. The associated reporting and regular communications between the Managing Board, risk departments and operating departments also ensure transparency and form a framework for ensuring that the risk situation is appropriately taken into account in the decisions made at the individual company and Group levels.

Given its efficient risk management based on a conservative business and risk strategy and its strong capital base, Vienna Insurance Group feels it is excellently prepared both for the current and future solvency requirements under Solvency II.

Although there is still some uncertainty about the actual date on which Solvency II and any potential preparatory measures by the regulatory authorities will come into force, it is certain that full introduction will not take place before 2016 at the earliest. Vienna Insurance Group nonetheless continues to work intensively on implementing all requirements, with a goal of being able to satisfy all of them by as early as 2015. This includes further systematic standardisation and fine-tuning of risk management throughout the entire Group.

In addition to regulatory capital requirements, Standard & Poor's also recently confirmed (in July of this year) Vienna Insurance Group's existing A+ rating with stable outlook, despite the difficult market environment. This therefore also confirms the Group's risk-bearing capacity.

Despite a temporary easing of the European sovereign debt crisis, we are continuing to closely monitor both it and financial market volatility. The uncertainty associated with these areas reinforces Vienna Insurance Group's decision to maintain the investment policy, which is based on a highly conservative and security-oriented approach to financial markets, that it has followed to date.

OUTLOOK

Economic outlook

The economic slowdown throughout the entire Eurozone, which economists had previously forecast to end at the beginning of 2013, is only slowly giving way to an upturn. Early signs of this upturn can be seen in, for example, numerous global trade indicators and the falling unemployment rates in Eurozone countries that were hit hard by the crisis, such as Ireland, Portugal and Spain. In Italy, lending has even recently risen again for the first time.

These positive signals from the PIIGS countries, with the exception of Greece, create hope that the core countries will also soon recover and begin to generate new growth. This would also greatly benefit those Central and Eastern European countries whose economies are heavily dependent on supplier industries for major industrialised countries. These countries include Poland, the Czech Republic and Romania, as well as Croatia, whose tourism industry has suffered greatly in previous years due to the slowdown in Central Europe and Italy.

Unlike the previous year, wiiw (Vienna Institute for International Economic Studies) is only forecasting a drop in economic output for Croatia (-1.0%), Slovenia (-3.3%) and the Czech Republic (-0.8%) in 2013. Once the large CEE countries can once again benefit from the demand from Germany and other major industrialised countries, it will generate positive stimulus in smaller neighbouring countries.

In Austria, WIFO (Austrian Institute of Economic Research) is predicting a moderate upturn in the 2nd half of 2013 that will generate economic growth of +0.4% for the year as a whole. This growth is expected to increase to 1.6% in 2014. These figures place Austria precisely between the Eurozone (2013: -0.7%, 2014: +1.0%) and eleven new EU countries* (2013: +0.8%, 2014: +2.1%).

* Bulgaria, Estonia, Croatia, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia, Czech Republic, Hungary

VIG outlook

Vienna Insurance Group is maintaining its proven strategy and continues to concentrate on the markets in Austria and Central and Eastern Europe. Since the growth and catch-up process is progressing at different rates in the CEE countries, Vienna Insurance Group bases its actions on the opportunities and conditions in each individual market. During growth phases, the focus is on the above-average exploitation of potential. Phases of calm in the market, on the other hand, are used to optimise profits and improve efficiency.

In the future, Vienna Insurance Group will continue to concentrate on its core competence, namely the insurance business, and follow a risk-conscious, conservative investment policy. The Company has also set itself a goal of continuing to grow faster than the market in coming years. At the same time, management will make efforts to keep volatility as low as possible given the economic environment.

Storm disasters in Central and Eastern Europe

The first half of 2013 was dominated primarily by flooding at the end of May and beginning of June that affected broad areas of Austria and Central and Eastern Europe. Gross claims payments amount to at least EUR 180 million, with around EUR 40 million retained by Vienna Insurance Group after the deduction of reinsurance. Around 22,000 claims have been reported to Vienna Insurance Group to date. Most of the claims are from Austria and the Czech Republic. The rest of the claims are distributed among Germany, Poland, Romania, Slovakia and Hungary.

In total, gross payments to customers from storm disasters were around EUR 230 million in the 1st half of 2013, which is three times as high as the same period in the previous year. After deducting reinsurance, VIG retained a net amount of around EUR 72 million. Net claims were therefore around 20% higher year-on-year (around EUR 59 million).

Group company awards

VIG in Slovakia: Komunálna awarded for best PR campaign in 2012

The communications activities of the Slovakian Group company Komunálna were doubly rewarded at the prestigious Prokop competition, with Komunálna receiving gold for its motor liability insurance campaign "Rybník" and silver for creative PR measures.

VIG in Bulgaria: Bulstrad awarded as most dynamically developing insurer

Bulgarian Group company Bulstrad was awarded as most dynamically developing insurer of the year at the "Insurer of the Year 2012" ceremony. The price underlines Bulstrad's success as the fastest growing insurance company in Life and Non-Life on the Bulgarian market.

VIG cultural and social involvement

Slovakian artist Dorota Sadovská wraps the Ringturm

The sixth traditional wrapping of the Ringturm during the summer months highlights the clear and expressive commitment of Wiener Städtische Versicherungsverein, the main shareholder of VIG, to its role as a facilitator of cross-border dialogue. The work "Ties" by the young Slovakian artist Dorota Sadovská was created exclusively for the Ringturm. The work expresses the theme of reciprocal ties, the joy of moving together and meeting. The symbol of three female figures in a circle has been recognised since ancient Greece as a symbol for the best way of economising material resources: by taking, giving and returning. The symbolism of "Ties" is also reflected in the concept of insurance as mutual sharing.

VIG Kids Camp

The principal shareholder of VIG, Wiener Städtische Versicherungsverein, once again organised a series of summer camps in 2013, at which around 500 children of VIG employees from 24 countries spent two weeks of their summer holidays. Under the motto "Paint what you want to become", the children aged between nine and 13 could express their ideas of a dream job on paper. The most imaginative and creative submissions were rewarded with an invitation to Kids Camp. Those invited could then choose between the "City Camp" in the Strebersdorf area of Vienna, the "Country Camp" in Wagrain, Salzburg, and the "Mountain Camp" in Altaussee in the Salzkammergut area. Activities ranged from hiking tours and expeditions through salt and stalactite caves to sightseeing tours in Salzburg and Vienna, with time naturally also given to a variety of games and water fun. The children also had new and interesting experiences with children from many other European countries. This allows the Company to pursue its goal of promoting intercultural exchange, thereby contributing to a culture of harmonious interaction. Further information is available at: www.vigkidscamp.com.

CAPITAL MARKETS & INVESTOR RELATIONS & SHARE

CAPITAL MARKETS

International overview

The global equity index MSCI World showed strong upward movement in the initial months of 2013. However, due to concerns about a more restrictive central bank monetary policy in the future, the month of May saw the start of a significant correction of this. As a result, the value of the MSCI World index at the end of the 1st half of the year was almost unchanged compared to its value at the end of the 1st quarter of 2013.

Stock exchange sentiment in the 1st half of 2013 was particularly positive in the US. The US Dow Jones Industrial (DJI) index broke through the previous high set in 2007 on multiple occasions to reach a new all-time high of 15,409.39 points on 28 May 2013. Although expectations that the US Federal Reserve would limit its expansive measures caused the DJI index to subsequently retreat from this high point, the index nevertheless recorded an overall increase of 13.8% for the 1st half of the year. This increase was even more significantly exceeded by price gains on the Tokyo stock exchange, where the emphasis placed on expansive policy by the new Japanese government elected in December 2012 caused the the Nikkei 225 leading index to rise 31.6% in the 1st half of 2013.

Tentative economic growth and the lingering effects of the debt crisis led to predominantly weak price movements in Europe, although the German DAX equity index, for example, recorded strong gains to reach a new all-time high. The European Eurostoxx 50 index showed little overall movement during the 1st half of 2013, recording poor performance in the final weeks before the end of the 1st half to end 1.3% below its closing value at the end of the previous year.

Emerging market stock exchanges recorded poor performance in the 1st half of the year. Concerns about a change in course by central banks had a particularly great effect there towards the end of the 2nd quarter, as investors began to take money out of more risky forms of investment. The MSCI Emerging Markets Index lost 10.9% in the 1st half of the year, while the euro-denominated CECE Index (which tracks the equity markets in CEE countries) fell by 17.1%.

Vienna Stock Exchange

The Vienna Stock Exchange recorded a long positive trend in the 1st quarter of 2013, culminating in a high for the year for the ATX leading index of 2,548.84 points on 8 March 2013. After a volatile period, a closing level of above 2,500 points was once again achieved on 21 May 2013. However, in line with international market developments, not only were the gains achieved since the beginning of the year lost in the following few weeks before the end of the 1st half of the year, the ATX Index also fell to 2,223.98 points, a level 7.4% below the closing value at the end of December 2012.

INVESTOR RELATIONS

The severe weather claims and the effect on earnings of the flooding in Austria and the countries of Central and Eastern Europe that were affected was the major topic of communications with analysts and investors in the 2nd quarter. A great deal of questions were raised about expected claims and existing reinsurance programmes at both the Baader Bank Conference in London and the two roadshows in Frankfurt and Zurich. The numerous group and individual meetings at these events took place in June after publication of the results for the 1st quarter of 2013. Explanations of the published data with regard to current developments in major Vienna Insurance Group markets were the main focus of discussions with management.

There has been a significant improvement in the financial calendar on the Company's website www.vig.com. Individual events can now be easily downloaded or emailed straight to your inbox. This is true not only for Investor Relations events, but for all events, which can now be viewed in their entirety in a separate VIG calendar for the first time. It is also possible to subscribe to all entries using your personal calendar programme. This will ensure that you do not miss any Vienna Insurance Group events that are important for you!

VIG SHARE PERFORMANCE

VIG shares reached their high point of EUR 41.22 per share for the 1st half of 2013 right at the beginning of January. The price then oscillated between EUR 37.50 and EUR 39.00 over the first two months until the beginning of March, when the top figure of this range was broken by a considerable margin. VIG share movements were volatile in the 2nd quarter and, in line with the ATX Index, led to a new low of EUR 34.26 on 24 June due to international market developments. Although the VIG share price of EUR 35.69 at the end of June represented a loss of 11.6% compared to the end of 2012, the share price has risen by 11.9% over a reporting period of one year.

VIG financial calendar*

9M results for 2013	28 November 2013
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* Preliminary schedule

Overview of VIG shares

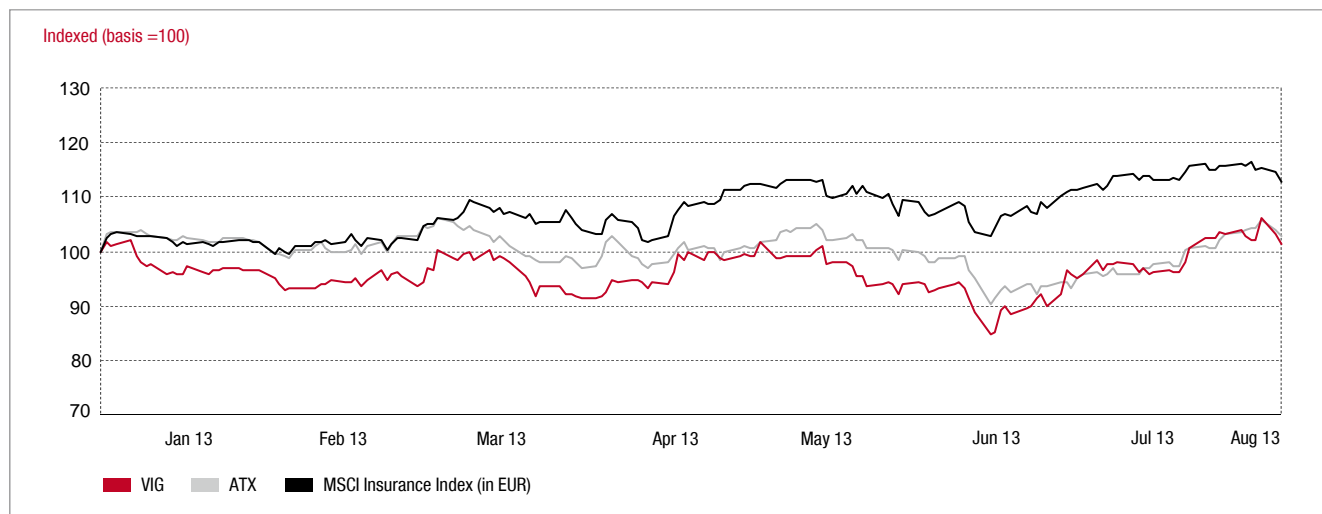
Initial listing (Vienna)	17 October 1994
Initial listing (Prague)	5 February 2008
Number of common shares	128 mn
Free float	approx. 30%
ISIN	AT0000908504
Securities symbol	VIG
Bloomberg	VIG AV / VIG CP
Reuters	VIGR.VI / VIGR.PR
Rating – Standard & Poor's	A+, stable outlook

Key share information 1st half of 2013

High	EUR	41.22
Low	EUR	34.26
Year-end price	EUR	35.69
Market capitalisation	EUR	4.6 bn
Dividend 2012	EUR	1.20
Average daily stock exchange trading volume*	EUR	2.9 mn

* Using single counting

VIENNA INSURANCE GROUP (VIG) COMPARED TO THE ATX AND MSCI INSURANCE INDEX (IN EUR) 1 JANUARY 2013 UNTIL 20 AUGUST 2013



CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2013

ASSETS	30.6.2013	31.12.2012
<i>in EUR '000</i>		
A. Intangible assets		
I. Goodwill	1,650,285	1,723,207
II. Purchased insurance portfolios	51,895	57,511
III. Other intangible assets	653,802	629,247
Total intangible assets	2,355,982	2,409,965
B. Investments		
I. Land and buildings	2,493,515	3,219,908
II. Shares in at equity consolidated companies	429,071	368,461
III. Financial instruments	25,910,314	25,874,450
a) Loans and other investments	4,880,508	4,883,784
b) Other securities	21,029,806	20,990,666
Financial instruments held to maturity	2,997,330	3,180,823
Financial investments available for sale	17,425,666	17,111,825
Financial instruments recognised at fair value through profit and loss*	606,810	698,018
Total investments	28,832,900	29,462,819
C. Investments of unit- and index-linked life insurance	6,420,446	6,443,775
D. Reinsurers' share in underwriting provisions	1,237,680	1,034,364
E. Receivables	1,672,167	1,656,642
F. Tax receivables and advance payments out of income tax	45,660	80,572
G. Deferred tax assets	137,125	150,361
H. Other assets	357,925	339,054
I. Cash and cash equivalents	549,333	772,238
Total ASSETS	41,609,218	42,349,790

* Including trading assets

CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2013

LIABILITIES AND SHAREHOLDERS' EQUITY	30.6.2013	31.12.2012
in EUR '000		
A. Shareholders' equity		
I. Share capital	132,887	132,887
II. Other capital reserves	2,109,003	2,109,003
III. Capital reserves from additional payments on hybrid capital	495,602	495,602
IV. Retained earnings	2,157,135	2,259,510
V. Other reserves	212,694	368,879
VI. Non-controlling interests	133,873	345,770
Total shareholders' equity	5,241,194	5,711,651
B. Subordinated liabilities	532,785	537,508
C. Underwriting provisions		
I. Provision for unearned premiums	1,498,659	1,265,340
II. Mathematical reserve	19,243,806	19,014,157
III. Provision for outstanding claims	4,331,047	4,082,424
IV. Provisions for profit-unrelated premium refunds	48,072	63,185
V. Provision for profit-related premium refunds	1,057,926	1,273,213
VI. Other underwriting provisions	83,754	94,387
Total underwriting provisions	26,263,264	25,792,706
D. Underwriting provisions for unit- and index-linked life insurance	6,213,043	6,245,423
E. Non-underwriting provisions		
I. Provisions for pensions and similar obligations	315,754	324,956
II. Other provisions	159,493	183,412
Total non-underwriting provisions	475,247	508,368
F. Liabilities	2,417,717	3,027,629
G. Tax liabilities out of income tax	91,161	92,712
H. Deferred tax liabilities	180,737	226,634
I. Other liabilities	194,070	207,159
Total LIABILITIES AND SHAREHOLDERS' EQUITY	41,609,218	42,349,790

CONSOLIDATED SHAREHOLDERS' EQUITY

Change in consolidated shareholders' equity in financial years 2013 and 2012

	Share capital	Other capital reserves	Capital reserves from additional payments on hybrid capital	Retained earnings	Other reserves	Subtotal	Non-controlling interests	Shareholders' equity
in EUR '000								
As of 1 January 2012	132,887	2,109,003	495,602	1,961,997	-68,847	4,630,642	419,001	5,049,643
IFRS adjustment	0	0	0	0	4,134	4,134	261	4,395
As of 1 January 2012 (revised)	132,887	2,109,003	495,602	1,961,997	-64,713	4,634,776	419,262	5,054,038
Changes in scope of consolidation/ownership interests	0	0	0	-29,095	0	-29,095	-114,619	-143,714
Total profit for the period incl. other comprehensive income after taxes	0	0	0	231,566	215,660	447,226	11,269	458,495
Dividend payment	0	0	0	-140,800	0	-140,800	-9,224	-150,024
As of 30 June 2012	132,887	2,109,003	495,602	2,023,668	150,947	4,912,107	306,688	5,218,795
As of 1 January 2013	132,887	2,109,003	495,602	2,259,510	368,879	5,365,881	345,770	5,711,651
Changes in scope of consolidation/ownership interests	0	0	0	-49,338	0	-49,338	-204,985	-254,323
Total profit for the period incl. other comprehensive income after taxes	0	0	0	140,563	-156,185	-15,622	2,594	-13,028
Dividend payment	0	0	0	-193,600	0	-193,600	-9,506	-203,106
As of 30 June 2013	132,887	2,109,003	495,602	2,157,135	212,694	5,107,321	133,873	5,241,194

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 to 30 June 2013 (including comparative period)	1.1.-30.6.2013	1.1.-30.6.2012
in EUR '000		
Premiums		
Premiums written – gross	5,029,668	5,282,853
Premiums written – reinsurers' share	-479,441	-474,534
Premiums written – retention	4,550,227	4,808,319
Change in unearned premium – gross	-258,913	-258,025
Change in unearned premium – reinsurers' share	116,525	106,121
Net earned premiums – retention	4,407,839	4,656,415
Financial result excl. at equity consolidated companies		
Income from investments	767,620	815,034
Expenses for investments and interest expenses	-192,150	-247,416
Total financial result excluding at equity consolidated companies	575,470	567,618
Result from shares in at equity consolidated companies	17,536	14,254
Other income	81,960	52,970
Expenses for claims and insurance benefits		
Expenses for claims and insurance benefits – gross	-4,002,773	-4,059,751
Expenses for claims and insurance benefits – reinsurers' share	268,084	116,159
Total expenses for claims and insurance benefits	-3,734,689	-3,943,592
Operating expenses		
Acquisition expenses	-829,928	-801,455
Other administrative expenses	-165,155	-172,772
Reinsurance commissions	58,914	64,507
Total operating expenses	-936,169	-909,720
Other expenses	-206,255	-135,897
Profit before taxes	205,692	302,048
Tax expense	-59,220	-63,271
Profit for the period	146,472	238,777
<i>thereof attributable to shareholders of Vienna Insurance Group</i>	<i>140,563</i>	<i>231,566</i>
<i>thereof non-controlling interests in net profit for the period</i>	<i>5,909</i>	<i>7,211</i>
+/- Exchange rates through equity	-41,081	35,161
+/- Unrealised gains and losses from financial instruments available for sale	-86,339	238,945
Taxes on other comprehensive income*	-32,080	-54,388
Other comprehensive income after taxes	-13,028	458,495
<i>thereof attributable to Vienna Insurance Group shareholders</i>	<i>-15,622</i>	<i>447,226</i>
<i>thereof non-controlling interests</i>	<i>2,594</i>	<i>11,269</i>
Earnings per share (annualised)**		
Undiluted = diluted earnings per share (in EUR)	1.89	3.31

* The taxes result solely from unrealised gains and losses from financial instruments held for sale.

** The calculation of these figures includes the aliquot portion of interest expenses for hybrid capital.

CONSOLIDATED INCOME STATEMENT

For the period from 1 April to 30 June 2013 (including comparative period)	1.4.-30.6.2013	1.4.-30.6.2012
in EUR '000		
Premiums		
Premiums written – gross	2,324,444	2,536,396
Premiums written – reinsurers' share	-161,581	-191,790
Premiums written – retention	2,162,863	2,344,606
Change in unearned premium – gross	68,438	80,070
Change in unearned premium – reinsurers' share	-22,322	895
Net earned premiums – retention	2,208,979	2,425,571
Financial result excl. at equity consolidated companies		
Income from investments	412,090	421,081
Expenses for investments and interest expenses	-100,461	-125,734
Total financial result excluding at equity consolidated companies	311,629	295,347
Result from shares in at equity consolidated companies	11,184	9,526
Other income	39,715	26,842
Expenses for claims and insurance benefits		
Expenses for claims and insurance benefits – gross	-2,114,994	-2,220,570
Expenses for claims and insurance benefits – reinsurers' share	200,039	114,814
Total expenses for claims and insurance benefits	-1,914,955	-2,105,756
Operating expenses		
Acquisition expenses	-406,302	-388,569
Other administrative expenses	-84,188	-87,394
Reinsurance commissions	27,174	31,485
Total operating expenses	-463,316	-444,478
Other expenses	-146,908	-56,428
Profit before taxes	46,328	150,624
Tax expense	-26,555	-31,606
Profit for the period	19,773	119,018
<i>thereof attributable to shareholders of Vienna Insurance Group</i>	<i>16,728</i>	<i>113,853</i>
<i>thereof non-controlling interests in net profit for the period</i>	<i>3,045</i>	<i>5,165</i>
Earnings per share (annualised)*		
Undiluted = diluted earnings per share (in EUR)	0.21	3.25

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

CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 January 2013 to 30 June 2013 (including comparison period)	1.1.-30.6.2013	1.1.-30.6.2012
in EUR '000		
Profit for the period	146,472	238,777
Change in underwriting provisions net	529,804	1,204,327
Change in underwriting receivables and liabilities	-220,929	-235,505
Change in deposit receivables and liabilities, as well as in reinsurance receivables and liabilities	34,938	103,771
Change in other receivables and liabilities	146,352	59,414
Changes in securities held for trading	67,743	29,564
Gain/loss from disposal of investments	-70,591	-42,697
Depreciation/appreciation of all other investments	44,941	68,232
Change in pension, severance and other personnel provisions	76,035	-1,454
Change in deferred tax assets/liability	2	-108
Change in other balance sheet items	-54,532	-53,900
Change in other intangible assets	59,854	-28,163
Other cash-neutral income and expenses and adjustments to the result for the period	60,788	98,428
Cash flow from operating activities	820,877	1,440,686
Cash inflow from the sale of fully and at equity consolidated companies	0	-5,745
Payments for the acquisition of fully and at equity consolidated companies	-13,222	-149,226
Cash inflow from the sale of financial instruments available for sale	2,300,319	1,812,551
Payments for the acquisition of financial instruments available for sale	-2,957,210	-2,092,501
Cash inflow from the sale of financial instruments held to maturities	267,183	168,895
Payments for the acquisition of financial instruments held to maturity	-160,484	-148,068
Cash inflow from the sale of land and buildings	4,490	9,093
Payments for the acquisition of land and buildings	-101,998	-73,585
Change in unit- and index-linked life insurance items	-97,851	-186,674
Change in other investments	-69,862	-335,587
Cash flow from investing activities	-828,635	-1,000,847
Increase subordinated liabilities	0	6,000
Decrease subordinated liabilities	-4,050	0
Dividend payments	-163,106	-150,024
Cash inflow from other financing activities	3,084	6,761
Cash outflow from other financing activities	-3,896	-5,326
Cash flow from financing activities	-167,968	-142,589
Change in cash and cash equivalents	-175,726	297,250
Cash and cash equivalents at beginning of period	772,238	568,117
Change in cash and cash equivalents	-175,726	297,250
Change in scope of consolidation	-50,286	-35,704
Effects of foreign currency exchange differences in cash and cash equivalents	3,107	-1,887
Cash and cash equivalents at end of period	549,333	827,776
<i>thereof non-profit housing societies</i>	<i>23,730</i>	<i>77,892</i>
Additional information		
Received interest	478,250	466,173
Received dividends	87,372	61,467
Interest paid*	23,839	29,877
Income taxes paid	25,753	44,664

* The interest paid is largely allocated to financing activities.

SEGMENT REPORTING

CONSOLIDATED BALANCE SHEET BY LINES OF BUSINESS

ASSETS	Property/Casualty		Life		Health		Total	
	30.6.2013	31.12.2012	30.6.2013	31.12.2012	30.6.2013	31.12.2012	30.6.2013	31.12.2012
in EUR '000								
A. Intangible assets	1,337,858	1,396,415	1,018,092	1,013,515	32	35	2,355,982	2,409,965
B. Investments	6,855,779	7,501,209	20,843,659	20,897,788	1,133,462	1,063,822	28,832,900	29,462,819
C. Investments of unit- and index-linked life insurance	0	0	6,420,446	6,443,775	0	0	6,420,446	6,443,775
D. Reinsurers' share in underwriting provisions	1,125,074	877,855	110,707	154,611	1,899	1,898	1,237,680	1,034,364
E. Receivables	1,122,248	1,036,843	512,937	574,125	36,982	45,674	1,672,167	1,656,642
F. Tax receivables and advance payments out of income tax	33,688	60,044	11,939	20,528	33	0	45,660	80,572
H. Other assets	152,453	157,812	200,627	176,157	4,845	5,085	357,925	339,054
I. Cash and cash equivalents	381,418	582,852	121,114	184,156	46,801	5,230	549,333	772,238
Subtotal	11,008,518	11,613,030	29,239,521	29,464,655	1,224,054	1,121,744	41,472,093	42,199,429
Deferred tax assets							137,125	150,361
Total ASSETS							41,609,218	42,349,790

LIABILITIES AND SHAREHOLDERS' EQUITY	Property/Casualty		Life		Health		Total	
	30.6.2013	31.12.2012	30.6.2013	31.12.2012	30.6.2013	31.12.2012	30.6.2013	31.12.2012
in EUR '000								
B. Subordinated liabilities	311,527	316,014	220,758	220,994	500	500	532,785	537,508
C. Underwriting provisions	5,425,990	4,998,926	19,756,727	19,746,669	1,080,547	1,047,111	26,263,264	25,792,706
D. Underwriting provisions for unit- and index-linked life insurance	0	0	6,213,043	6,245,423	0	0	6,213,043	6,245,423
E. Non-underwriting provisions	289,652	322,585	154,518	154,558	31,077	31,225	475,247	508,368
F. Liabilities	1,941,160	2,469,319	457,607	542,353	18,950	15,957	2,417,717	3,027,629
G. Tax liabilities out of income tax	64,609	68,555	26,519	24,157	33	0	91,161	92,712
I. Other liabilities	49,790	58,331	143,127	147,813	1,153	1,015	194,070	207,159
Subtotal	8,082,728	8,233,730	26,972,299	27,081,967	1,132,260	1,095,808	36,187,287	36,411,505
Deferred tax liabilities							180,737	226,634
Shareholders' equity							5,241,194	5,711,651
Total LIABILITIES AND SHAREHOLDERS' EQUITY							41,609,218	42,349,790

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.-30.6.13	1.1.-30.6.12	1.1.-30.6.13	1.1.-30.6.12	1.1.-30.6.13	1.1.-30.6.12	1.1.-30.6.13	1.1.-30.6.12
in EUR '000								
Premiums written – Gross	2,617,907	2,622,432	2,212,617	2,466,227	199,144	194,194	5,029,668	5,282,853
Net earned premiums	2,022,177	2,027,145	2,188,259	2,443,811	197,403	185,459	4,407,839	4,656,415
Financial result excl. at equity consolidated companies	103,016	95,193	457,822	459,383	14,632	13,042	575,470	567,618
Result from shares in at equity consolidated companies	16,168	13,330	1,368	924	0	0	17,536	14,254
Other income	48,600	33,066	33,295	18,712	65	1,192	81,960	52,970
Expenses for claims and insurance benefits	-1,392,263	-1,334,660	-2,175,613	-2,454,401	-166,813	-154,531	-3,734,689	-3,943,592
Operating expenses	-592,887	-577,894	-320,570	-309,887	-22,712	-21,939	-936,169	-909,720
Other expenses	-165,646	-89,247	-39,742	-46,116	-867	-534	-206,255	-135,897
Profit before taxes	39,165	166,933	144,819	112,426	21,708	22,689	205,692	302,048

REGIONS	Austria		Czech Republic		Slovakia		Poland	
	1.1.-30.6.13	1.1.-30.6.12	1.1.-30.6.13	1.1.-30.6.12	1.1.-30.6.13	1.1.-30.6.12	1.1.-30.6.13	1.1.-30.6.12
in EUR '000								
Premiums written - Gross	2,373,702	2,324,557	898,416	908,285	374,978	358,440	609,744	952,221
Net earned premiums	1,810,434	1,733,367	706,596	708,311	297,838	284,538	486,536	854,920
Financial result excluding at equity consolidated companies	412,586	404,182	66,471	59,820	24,462	25,222	31,344	29,252
Result from shares in at equity consolidated companies	2,553	1,910	915	2,713	0	0	0	0
Other income	6,295	7,124	22,834	17,066	5,676	1,901	2,455	2,635
Expenses for claims and insurance benefits	-1,788,856	-1,712,502	-504,309	-493,130	-245,813	-220,587	-378,332	-754,652
Operating expenses	-307,965	-281,883	-167,171	-171,980	-48,327	-45,280	-103,417	-100,803
Other expenses	-22,771	-16,280	-35,094	-34,325	-9,210	-17,817	-5,350	-8,685
Profit before taxes	112,276	135,918	90,242	88,475	24,626	27,977	33,236	22,667

REGIONS	Romania		Remaining markets		Central functions		Consolidation		Total	
	1.1.-30.6.13	1.1.-30.6.12	1.1.-30.6.13	1.1.-30.6.12	1.1.-30.6.13	1.1.-30.6.12	1.1.-30.6.13	1.1.-30.6.12	1.1.-30.6.13	1.1.-30.6.12
in EUR '000										
Premiums written - Gross	196,345	235,911	530,941	477,266	677,524	595,850	-631,982	-569,677	5,029,668	5,282,853
Net earned premiums	158,324	191,025	378,487	340,120	568,072	542,663	1,552	1,471	4,407,839	4,656,415
Financial result excluding at equity consolidated companies	4,307	10,302	36,101	45,607	-353	1,348	552	-8,115	575,470	567,618
Result from shares in at equity consolidated companies	0	0	0	0	14,068	9,631	0	0	17,536	14,254
Other income	11,191	14,812	18,874	8,762	14,411	4,260	224	-3,590	81,960	52,970
Expenses for claims and insurance benefits	-122,283	-153,858	-271,188	-251,490	-424,356	-357,964	448	591	-3,734,689	-3,943,592
Operating expenses	-54,309	-59,714	-109,153	-91,197	-139,617	-156,414	-6,210	-2,449	-936,169	-909,720
Other expenses	-15,126	-8,386	-30,511	-39,323	-91,629	-23,374	3,436	12,293	-206,255	-135,897
Profit before taxes	-17,896	-5,819	22,610	12,479	-59,404	20,150	2	201	205,692	302,048

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF 30 JUNE 2013

Summary of significant accounting policies

The consolidated interim financial statements for the 1st half of 2013 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 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) of the year also normally shows a higher level of charges, mainly due to adverse environmental influences (snow, snowmelt, 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.

Disclosures on changes in the scope of consolidation

The following companies were not yet included in the scope of consolidation of VIg in the 1st half of 2012:

Expansion of the scope of consolidation	% share	Date of first consolidation	Goodwill
in million EUR			
Polisa	96.49	01.01.2013	2.83
Jahorina	97.56	01.01.2012	6.10
WSV Immoholding GmbH	100.00	01.01.2012	0.00

It should be noted that all company acquisitions were performed with cash or cash equivalents.

Change of consolidation method to at equity consolidation	% share	Date of change
in million EUR		
Gemeinnützige Industrie-Wohnungsaktiengesellschaft	55.00	01.01.2013
Gemeinnützige Mürz-Ybbs Siedlungsanlagen-GmbH	55.00	01.01.2013
Schwarzatal GmbH	55.00	01.01.2013

Companies formed	% share	Date of foundation
in million EUR		
WGPV Holding GmbH	100.00	30.06.2012

The Croatian Group companies Helios and Kvarner were merged in May 2013. The merged company now operates under the name Wiener osiguranje Vienna Insurance Group.

Estimates

The 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.

In the 3rd quarter of 2012, WPWS Vermögensverwaltung GmbH, Vienna, was merged with WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group, Vienna. The two Group companies InterRisk and PZM merged in the summer of 2012 and the resulting non-life insurer has operated under the name INTERRISK Towarzystwo Ubezpieczeń Spółka Akcyjna Vienna Insurance Group since then.

Type and extent of business transactions unusual in terms of type, amount or frequency

There was an increase in insurance payments during the 1st half of 2013 due to the storm disaster at the end of May and beginning of June. Gross payments are expected to be at least EUR 180 million at Group level, with around EUR 40 million being retained by the Group (after reinsurance).

Changes to contingent liabilities and receivables

There were no changes in this area during the reporting period compared to the 1st half of 2012.

Changes to IAS 19 – Employee benefits

As a result of the changes, the corridor method can no longer be used for the recognition of actuarial gains and losses. These must now be reported under shareholders' equity as other comprehensive income (OCI). While all changes in valuation must be recognised in shareholders' equity (OCI), service costs and interest costs must be shown on the income statement. Long-term income from plan assets must be calculated using the same interest rate used to calculate the present value of the defined benefit obligation.

The changes to IAS 19 are to be applied retrospectively.

The table below shows the effects of changes to IAS 19 on the consolidated balance sheet:

As of 31.12.2012	As originally reported	Change caused by IAS 19	After accounting for changes to IAS 19 (as reported)
EUR '000			
Assets			
Deferred tax assets	136,956	13,405	150,361
Liabilities and shareholders' equity			
Provisions for pensions and similar obligations	248,570	76,386	324,956
Deferred tax liabilities	226,634	0	226,634
Provisions for profit-related premium refunds	1,295,978	-22,765	1,273,213
Shareholders' equity	5,751,867	-40,216	5,711,651

For the entire financial year 2012, the application of IAS 19 led to an increase in the profit before income taxes of EUR 709,000 (1st half of 2012: EUR 354,000) and an increase in income tax of EUR 177,000 (1st half of 2012: 88,000). Earnings per share rose by EUR 0.01 (1st half of 2012: EUR 0.01).

The change in other comprehensive income for the financial year 2012 was EUR -44,624,000.

There was no material change to the condensed statement of cashflows, since the amounts are exclusively non-cash income and expenses.

INTANGIBLE ASSETS

Composition	30.6.2013	31.12.2012
in EUR '000		
Goodwill	1,650,285	1,723,207
Purchased insurance portfolios	51,895	57,511
Other intangible assets	653,802	629,247
<i>Purchased software</i>	<i>553,892</i>	<i>520,793</i>
<i>Other</i>	<i>99,910</i>	<i>108,454</i>
Total	2,355,982	2,409,965

The decrease in goodwill is primarily due to a goodwill impairment of EUR 75 million in the Romanian non-life segment.

OTHER SECURITIES

Development	Held to maturity		Available for sale		Trading assets		Recognised at fair value through profit and loss	
	30.6.2013	31.12.2012	30.6.2013	31.12.2012	30.6.2013	31.12.2012	30.6.2013	31.12.2012
in EUR '000								
Acquisition costs	3,199,793	3,127,119						
Cumulative depreciation as of 31.12. of previous years	-18,970	-16,399						
Book value as of 31.12. of the previous year	3,180,823	3,110,720	17,111,825	15,188,119	277,164	168,325	420,854	477,979
Exchange rate changes	-76,501	64,301	-49,208	47,794	-2,700	12,843	-1,333	1,205
Book value as of 1.1.	3,104,322	3,175,021	17,062,617	15,235,913	274,464	181,168	419,521	479,184
Reclassifications	0	18,460	-3,325	110,812	235	-14,189	537	-40,584
Additions	160,484	326,283	2,957,205	4,288,793	285,140	1,186,811	79,059	118,161
Disposals	-267,122	-334,850	-2,267,230	-3,872,396	-321,800	-1,118,700	-105,688	-170,293
Changes in scope of consolidation	0	1,145	-13,227	-36,544	10,061	267	-28,024	0
Changes in value recognised in profit and loss	33	587	0	653	-1,076	42,688	-5,619	34,386
Changes recognised directly in equity	0	0	-305,622	1,458,149	0	0	0	0
Impairments	-387	-5,823	-4,752	-73,555	0	-881	0	0
Book value as of 30.06. and 31.12. respectively	2,997,330	3,180,823	17,425,666	17,111,825	247,024	277,164	359,786	420,854
Cumulative appreciation/depreciation as of 30.06. and 31.12. respectively	21,060	18,970						
Acquisition costs	3,018,390	3,199,793						

REINSURERS' SHARE IN UNDERWRITING PROVISIONS

Composition	Property/ Casualty 30.6.2013	Life 30.6.2013	Health 30.6.2013	Total 30.6.2013	Total 31.12.2012
in EUR '000					
Provision for unearned premiums	226,539	5,692	7	232,238	138,049
Mathematical reserve	16	94,410	1,808	96,234	139,956
Provisions for outstanding claims	884,955	10,486	84	895,525	737,533
Provision for profit-unrelated premium refunds	8,459	0	0	8,459	13,743
Other underwriting provisions	5,105	119	0	5,224	5,083
Total	1,125,074	110,707	1,899	1,237,680	1,034,364

RECEIVABLES

Composition	Property/ Casualty 30.6.2013	Life 30.6.2013	Health 30.6.2013	Total 30.6.2013	Total 31.12.2012
in EUR '000					
Underwriting	850,099	126,783	21,983	998,865	918,335
Receivables from direct insurance business	799,552	123,762	21,947	945,261	828,984
<i>from policyholders</i>	<i>593,401</i>	<i>111,112</i>	<i>21,947</i>	<i>726,460</i>	<i>613,143</i>
<i>from insurance intermediaries</i>	<i>148,084</i>	<i>11,825</i>	<i>0</i>	<i>159,909</i>	<i>154,990</i>
<i>from insurance companies</i>	<i>58,067</i>	<i>825</i>	<i>0</i>	<i>58,892</i>	<i>60,851</i>
Receivables from reinsurance business	50,547	3,021	36	53,604	89,351
Non-underwriting	272,149	386,154	14,999	673,302	738,307
Other receivables	272,149	386,154	14,999	673,302	738,307
Total	1,122,248	512,937	36,982	1,672,167	1,656,642

EARNINGS PER SHARE

	1.1.-30.6.2013		1.1.-30.6.2012	
Profit for the period	EUR '000	146,472	EUR '000	238,777
Profit for the period after non-controlling interests	EUR '000	140,563	EUR '000	231,566
Interest hybrid capital	EUR '000	19,836	EUR '000	19,891
Number of shares	Units	128,000,000	Units	128,000,000
Earnings per share	EUR	1.89	EUR	3.31

	1.4.-30.6.2013		1.4.-30.6.2012	
Profit for the period	EUR '000	19,773	EUR '000	119,018
Profit for the period after non-controlling interests	EUR '000	16,728	EUR '000	113,853
Interest hybrid capital	EUR '000	9,973	EUR '000	9,946
Number of shares	Units	128,000,000	Units	128,000,000
Earnings per share	EUR	0.21	EUR	3.25

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

UNDERWRITING PROVISION – GROSS

Composition	Property/ Casualty 30.6.2013	Life 30.6.2013	Health 30.6.2013	Total 30.6.2013	Total 31.12.2012
in EUR '000					
Provision for unearned premiums	1,329,452	144,741	24,466	1,498,659	1,265,340
Mathematical reserve	151	18,251,145	992,510	19,243,806	19,014,157
<i>thereof for guaranteed policy benefits</i>	151	17,043,105	992,510	18,035,766	17,816,713
<i>thereof for allocated and committed profit shares</i>	0	1,208,040	0	1,208,040	1,197,444
Provisions for outstanding claims	3,980,205	297,897	52,945	4,331,047	4,082,424
Provision for premium refunds	36,359	1,059,519	10,120	1,105,998	1,336,398
<i>thereof profit-related</i>	197	1,057,729	0	1,057,926	1,273,213
<i>thereof profit-unrelated</i>	36,162	1,790	10,120	48,072	63,185
Other underwriting provisions	79,823	3,425	506	83,754	94,387
Total	5,425,990	19,756,727	1,080,547	26,263,264	25,792,706

LIABILITIES

Composition	Property/ Casualty 30.6.2013	Life 30.6.2013	Health 30.6.2013	Total 30.6.2013	Total 31.12.2012
in EUR '000					
Underwriting	476,176	241,933	13,681	731,790	839,357
Liabilities from direct business	310,395	145,367	11,789	467,551	570,627
<i>to policyholders</i>	158,441	107,587	11,789	277,817	381,785
<i>to insurance intermediaries</i>	117,712	36,386	0	154,098	168,058
<i>to insurance companies</i>	34,242	221	0	34,463	19,695
<i>arising from financial insurance contracts</i>	0	1,173	0	1,173	1,089
Liabilities from reinsurance business	164,068	9,124	0	173,192	131,371
Deposits from ceded reinsurance business	1,713	87,442	1,892	91,047	137,359
Non-underwriting	1,464,984	215,674	5,269	1,685,927	2,188,272
Liabilities to financial institutions	699,823	101,230	12	801,065	1,010,757
Other liabilities	765,161	114,444	5,257	884,862	1,177,515
Total	1,941,160	457,607	18,950	2,417,717	3,027,629

INFORMATION RELATING TO THE CONSOLIDATED INCOME STATEMENT

PREMIUMS WRITTEN

Property/Casualty insurance	Gross	Reinsurers' share	Retention	Gross
	1.1.-30.6.2013	1.1.-30.6.2013	1.1.-30.6.2013	1.1.-30.6.2012
in EUR '000				
Direct business				
Casualty insurance	181,452	-84,515	96,937	178,435
Health insurance	6,470	-877	5,593	2,343
Land vehicle own-damage insurance	481,036	-20,245	460,791	493,083
Rail vehicle own-damage	1,213	-717	496	841
Aircraft own-damage insurance	4,251	-2,395	1,856	4,465
Sea, lake and river shipping own-damage insurance	6,518	-3,756	2,762	4,983
Transport insurance	27,895	-14,262	13,633	27,652
Fire explosion, other natural risks, nuclear energy	519,269	-271,658	247,611	484,679
Other property	273,700	-83,264	190,436	258,940
Liability insurance for land vehicles having their own drive train	650,379	-319,979	330,400	729,443
Carrier insurance	3,521	-540	2,981	3,159
Aircraft liability insurance	2,836	-1,455	1,381	2,506
Sea, lake and river shipping liability insurance	1,992	-957	1,035	1,507
General liability insurance	278,150	-44,974	233,176	273,171
Credit insurance	46	0	46	15
Guarantee insurance	9,332	-4,011	5,321	8,721
Insurance for miscellaneous financial losses	64,554	-25,720	38,834	60,705
Legal expenses insurance	27,616	-164	27,452	26,986
Assistance insurance, travel health insurance	22,369	-625	21,744	21,509
Subtotal	2,562,599	-880,114	1,682,485	2,583,143
Indirect business				
Marine, aviation, and transport insurance	5,235	-2,769	2,466	4,407
Other insurances	43,409	-95,018	-51,609	13,422
Health insurance	6,664	0	6,664	21,460
Subtotal	55,308	-97,787	-42,479	39,289
Total premiums written in Property and Casualty	2,617,907	-977,901	1,640,006	2,622,432

Direct business life insurance	1.1.-30.6.2013	1.1.-30.6.2012
in EUR '000		
Regular premiums	1,186,367	1,172,378
Single premium policies	1,019,312	1,285,772
Total premiums written direct in Life	2,205,679	2,458,150
thereof:		
<i>Policies with profit participation</i>	<i>1,050,414</i>	<i>1,479,403</i>
<i>Policies without profit participation</i>	<i>436,714</i>	<i>209,007</i>
<i>Unit-linked policies</i>	<i>674,923</i>	<i>674,216</i>
<i>Index-linked policies</i>	<i>43,628</i>	<i>95,524</i>

FINANCIAL RESULT

Composition: Income	Property/Casualty		Life		Health		Total	
	1.1.-30.6.2013	1.1.-30.6.2012	1.1.-30.6.2013	1.1.-30.6.2012	1.1.-30.6.2013	1.1.-30.6.2012	1.1.-30.6.2013	1.1.-30.6.2012
in EUR '000								
Current income	172,557	193,050	466,647	468,743	20,462	20,894	659,666	682,687
Income from appreciation	3,504	22,250	9,132	23,936	0	666	12,636	46,852
Income from the disposal of investments	30,998	25,863	64,186	59,216	134	416	95,318	85,495
Total	207,059	241,163	539,965	551,895	20,596	21,976	767,620	815,034

Composition: Expenses	Property/Casualty		Life		Health		Total	
	1.1.-30.6.2013	1.1.-30.6.2012	1.1.-30.6.2013	1.1.-30.6.2012	1.1.-30.6.2013	1.1.-30.6.2012	1.1.-30.6.2013	1.1.-30.6.2012
in EUR '000								
Depreciation of investments	31,698	37,072	23,472	23,854	2,068	1,700	57,238	62,626
Impairment of investments	2,205	12,390	4,408	6,161	390	1,491	7,003	20,042
Exchange rate changes	4,344	-437	342	-5,886	-39	-179	4,647	-6,502
Losses from disposal of investments	9,274	13,623	12,729	19,593	0	429	22,003	33,645
Interest expenses	19,620	30,294	11,021	14,066	1,024	2,219	31,665	46,579
Other expenses	36,902	53,028	30,171	34,724	2,521	3,274	69,594	91,026
Total	104,043	145,970	82,143	92,512	5,964	8,934	192,150	247,416

EXPENSES FOR CLAIMS AND INSURANCE BENEFITS

Composition	Gross		Reinsurers' share		Retention	
	1.1.-30.6.2013	1.1.-30.6.2012	1.1.-30.6.2013	1.1.-30.6.2012	1.1.-30.6.2013	1.1.-30.6.2012
in EUR '000						
Property/Casualty insurance						
Expenses for claims and insurance benefits						
Payments for claims and insurance benefits	1,426,979	1,317,256	-140,830	-100,339	1,286,149	1,216,917
Changes in provision for outstanding claims	223,023	114,681	-118,463	-8,065	104,560	106,616
Subtotal	1,650,002	1,431,937	-259,293	-108,404	1,390,709	1,323,533
Change in mathematical reserve						
Change in other underwriting provisions	-6,111	1,948	-1,887	-1,845	-7,998	103
Expenses for profit-unrelated premium refunds	4,435	7,813	5,116	3,210	9,551	11,023
Total expenses	1,648,326	1,441,702	-256,063	-107,042	1,392,263	1,334,660
Life insurance						
Expenses for claims and insurance benefits						
Payments for claims and insurance benefits	1,807,617	1,661,321	-10,832	-12,024	1,796,785	1,649,297
Changes in provision for outstanding claims	23,295	29,621	-1,118	635	22,177	30,256
Subtotal	1,830,912	1,690,942	-11,950	-11,389	1,818,962	1,679,553
Change in mathematical reserve						
Change in other underwriting provisions	416	-299	-77	220	339	-79
Expenses for profit-related and profit-unrelated premium refunds	25,474	46,982	0	0	25,474	46,982
Total expenses	2,187,424	2,463,308	-11,811	-8,907	2,175,613	2,454,401
Health insurance						
Expenses for claims and insurance benefits						
Payments for claims and insurance benefits	124,270	121,394	-210	-210	124,060	121,184
Changes in provision for outstanding claims	5,610	254	0	0	5,610	254
Subtotal	129,880	121,648	-210	-210	129,670	121,438
Change in mathematical reserve	31,122	27,061	0	0	31,122	27,061
Expenses for profit-unrelated premium refunds	6,021	6,032	0	0	6,021	6,032
Total expenses	167,023	154,741	-210	-210	166,813	154,531
Total	4,002,773	4,059,751	-268,084	-116,159	3,734,689	3,943,592

ACQUISITION AND ADMINISTRATIVE EXPENSES

Composition	Property/ Casualty	Life	Health	Total
	1.1.-30.6.2013	1.1.-30.6.2013	1.1.-30.6.2013	1.1.-30.6.2013
in EUR '000				
Acquisition expenses	551,516	262,900	15,512	829,928
Administrative expenses				
Pro rata personnel expenses	54,847	25,018	3,968	83,833
Pro rata material expenses	41,098	36,922	3,302	81,322
Subtotal	95,945	61,940	7,270	165,155
Received reinsurance commissions	-54,574	-4,270	-70	-58,914
Total	592,887	320,570	22,712	936,169

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

OTHER INFORMATION

Employee statistics	30.6.2013	31.12.2012
Austria	5,230	5,405
Field staff	2,825	2,857
Office employees	2,405	2,548
Czech Republic	4,857	4,814
Field staff	2,995	2,819
Office employees	1,862	1,995
Slovakia	1,546	1,572
Field staff	801	813
Office employees	745	759
Poland	1,701	1,751
Field staff	683	375
Office employees	1,018	1,376
Romania	2,897	3,480
Field staff	1,778	2,436
Office employees	1,119	1,044
Remaining markets	6,158	6,344
Field staff	4,020	4,170
Office employees	2,138	2,174
Central functions	540	720
Office employees	540	720
Total	22,929	24,086

DECLARATION BY THE MANAGING BOARD

We declare to the best of our knowledge that the consolidated interim financial statements prepared in accordance with applicable accounting standards give a true and fair view of the Group's net assets, financial position and results of operations and that the interim Group management report gives a true and fair view of the Group's net assets, financial position and results of operations with

respect to important events during the first six months of the financial year and their impact on the consolidated interim financial statements, to the principal risks and uncertainties for the remaining six months of the financial year and to any material transactions with related parties which are subject to disclosure. The interim report was not audited or reviewed by an auditor.

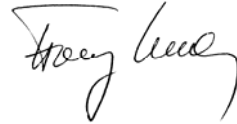
The Managing Board:



Peter Hagen
General Manager, CEO
Chairman of the Managing Board



Franz Kosyna
Deputy General Manager,
Member of the Managing Board



Franz Fuchs
Member of the Managing Board



Peter Höfing
Member of the Managing Board



Martin Simhandl
CFO
Member of the Managing Board

Vienna, 20 August 2013

Managing Board areas of responsibility:

Peter Hagen: Group management, strategic planning, public relations, marketing, sponsoring, legal matters, people management, performance management motor vehicle insurance, asset risk management; Country responsibilities: Austria (incl. coordination of s Versicherungsgruppe), Czech Republic, Ukraine

Franz Kosyna: Group IT, international processes and methods, SAP smile solutions; Country responsibilities: Albania (incl. Kosovo), Bosnia-Herzegovina, Macedonia, Montenegro, Serbia

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

Peter Höfing: International corporate and large customer business, Vienna International Underwriters (VIU), reinsurance, strategic initiative private customers' property; Country responsibilities: Slovakia, Bulgaria, Croatia, Hungary, Belarus

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

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www.vig.com/en/downloads

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Versicherung AG
Photo of General Manager: Ian Ehm
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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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