

26 August 2014

TOP PERFORMANCE IN FIRST HALF-YEAR OF 2014
OUTSTANDING RATING OF A+ WITH STABLE OUTLOOK CONFIRMED

| Profit increased by 41.4% to EUR 290.9 million | Premiums stable at around EUR 5.0 billion | Combined ratio reduced to 97.1% | Administrative expenses reduced a further 4.2% |
|---|---|---|---|
| strong profit contribution from the CEE region | 1.0% increase, adjusted for exchange rate effects | following 99.8% in 1 st half of 2013 | significant reduction of around 20% since 2008 |

Vienna Insurance Group had an excellent performance in terms of profit (before taxes) in the first half-year 2014, which rose strongly by 41.4 percent to EUR 290.9 million. Around 55 percent of these profits were in the CEE region, where also the Romanian Group companies further improved their performance.

Despite the clear earnings-oriented underwriting policy, Vienna Insurance Group generated stable premiums in a difficult economic environment of around EUR 5.0 billion. The Group even achieved a solid increase of 1.0 percent after adjusting for foreign exchange effects.

"The strong results in the CEE region are a major contributor to the Group's excellent performance. The actions taken in Romania also show first positive effects. S&P's recent confirmation of our A+ rating with a stable outlook also underscores the financial strength of Vienna Insurance Group."

Peter Hagen
 CEO Vienna Insurance Group

The combined ratio fell by 2.7 percentage points to a very good 97.1 percent. Vienna Insurance Group made the significant improvement despite the ongoing conservative reserving policy for the Italian business of Donau Versicherung and severe weather claims, particularly in Austria, Serbia and Bosnia-Herzegovina.

The Group's financial result was EUR 551.6 million. Vienna Insurance Group investments (including cash and cash equivalents) were around EUR 30.5 billion (as of 30 June 2014).

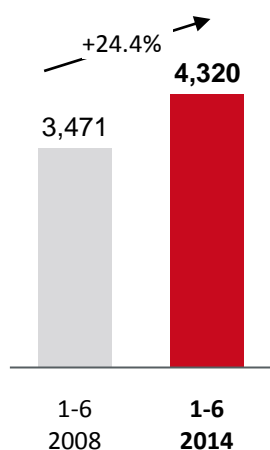
VIENNA INSURANCE GROUP: Wiener Städtische (AT) • Donau (AT) • s Versicherung Gruppe (AT, CZ, HR, HU, RO, SK) • InterAlbanian (AL) • Intersig (AL) • Sigma (AL) • Bulstrad (BG) • Bulstrad Life (BG) • Jahorina (BIH) • Kupala (BY) • Kooperativa (CZ) • CPP (CZ) • VIG RE (CZ) • InterRisk (DE) • Compensa Life (EE, LT, LV) • GPIH (GE) • IRAO (GE) • Wiener osiguranje (HR) • Union Biztosító (HU) • AXA Biztosító (HU) • Vienna-Life (LI) • Donaris (MD) • Wiener Städtische Podgorica (ME) • Winner (MK) • Winner Life (MK) • Makedonija (MK) • Compensa (PL) • InterRisk (PL) • Benefia (PL) • Polisa (PL) • Skandia (PL) • Omniasig (RO) • Asirom (RO) • Wiener Städtische Beograd (RS) • Kooperativa (SK) • Komunálna poisťovňa (SK) • Ray Sigorta (TR) • Kniazha (UA) • Globus (UA) • Jupiter (UA) • UIG (UA)
 Branches: Donau (IT), Wiener Städtische (IT), Wiener Städtische (SI)

CONTINUOUS REDUCTION OF ADMINISTRATIVE EXPENSES

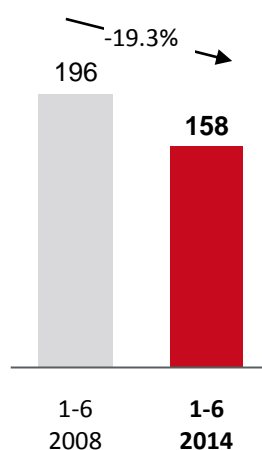
Efficient cost management helped reduce Group administrative expenses by another 4.2 percent in the first half-year 2014.

Vienna Insurance Group is working to increase efficiency throughout the Group. Ongoing actions have reduced administrative expenses by around one fifth since 2008. Net earned premiums rose around 25 percent in the same period.

Earned Premiums (net) in EUR million



Administrative Expenses in EUR million



TOP STANDARD & POOR'S RATING UNDERSCORES GROUP STRATEGY

The international rating agency Standard & Poor's confirmed the outstanding "A+" rating with stable outlook making Vienna Insurance Group the best-rated company in the ATX (Austrian Traded Index). As the market leader in Austria and the CEE region, the Group's competitive position was categorised as very strong. S&P was extremely positive about the Group's portfolio, which is well diversified over all lines of business. Praise was also given to the well-established multi-channel distribution strategy, including an exclusive distribution partnership with Erste Group. The Group's excellent capital resources exceed S&P's defined standard for AAA, once again proving VIG's financial stability.

FOCUS ON EARNINGS

Many Group companies recorded large premium increases in the property and casualty segment. Wiener Städtische in Austria recorded a 3.1 percent increase, Komunálna in Slovakia recorded a 6.0 percent increase and Wiener Städtische Osiguranje in Serbia managed a 23.4 percent increase.

Group premiums were a total of EUR 2.6 billion in the property and casualty segment. When adjusted for exchange rate effects, the segment recorded a slight increase of 0.3 percent. Based on its earnings-focused underwriting policy, VIG continues to reduce its volume of business in Italy and Romania – in particular in the motor lines of business.

GROWTH IN LIFE INSURANCE

Premiums rose slightly by 0.5 percent in life to EUR 2.2 billion. When adjusted for exchange rate effects, premiums increased by 2.0 percent in the segment, and when adjusted for the intentional reduction in the short-term single-premium business in Poland, growth was 3.6 percent. The Czech Republic also had satisfactory premium development (+8.3 percent, in spite of negative exchange rate effects) along with Slovakia (+4.4 percent). The Remaining Markets recorded a remarkable 23.1 percent increase in premiums. All CEE markets in this region generated an increase in premiums in the life segment. The Baltic States continued their outstanding performance (+27.4 percent) in line with previous quarters.

CEE MARKETS RECORD POSITIVE PERFORMANCE

Many Vienna Insurance Group markets in the CEE region recorded good earnings performance. Profit (before taxes) rose once again in Slovakia, Poland and the Remaining Markets. The Romanian Group companies also continued the first quarter's trends and contributed profits.

Group companies in Slovakia also had a 3.3 percent increase in premiums and the Remaining Markets region achieved a premium increase of 6.3 percent. Exchange rate effects had sizeable impact on premiums in the Czech Republic. After adjusting for such effects, the Czech Group companies had a significant 6.0 percent increase in premiums. The Vienna Insurance Group companies in the Ukraine continued to perform well, despite difficult market environment. Locally the companies generated a major increase in premiums of 17.4 percent.

Vienna Insurance Group (VIG) is the leading insurance specialist in Austria as well as in Central and Eastern Europe. About 50 companies in 25 countries form a Group with a long-standing tradition, strong brands and close customer relations. VIG looks back on 190 years of experience in the insurance business. With about 23,000 employees, Vienna Insurance Group is the clear market leader in its core markets. It is therefore excellently positioned to take advantage of the long-term growth opportunities in a region with 180 million people. The listed Vienna Insurance Group is the best-rated company of ATX, the leading index of Vienna Stock Exchange; its share is also listed on the Prague Stock Exchange.

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All news releases are also available at <http://www.vig.com/ir>.

Consolidated Income Statement (IFRS) 1 January - 30 June 2014

| (in EUR mn) | 6M 2014 | 6M 2013 | +/- % |
|---|----------------|----------------|---------------|
| Gross premiums written | 4,983.8 | 5,029.7 | -0.9 |
| Net earned premiums | 4,321.5 | 4,407.8 | -2.0 |
| Financial result | 551.6 | 593.0 | -7.0 |
| Other income | 58.1 | 82.0 | -29.1 |
| Expenses for claims and insurance benefits | -3,602.6 | -3,734.7 | -3.5 |
| Acquisition and administrative expenses | -932.1 | -936.2 | -0.4 |
| Other expenses | -105.6 | -206.3 | -48.8 |
| Profit before taxes | 290.9 | 205.7 | 41.4 |
| Taxes | -69.4 | -59.2 | 17.2 |
| Profit for the period | 221.4 | 146.5 | 51.2 |
| Non-controlling interests | -8.0 | -5.9 | 35.0 |
| Net profit after non-controlling interests | 213.5 | 140.6 | 51.9 |
| Combined Ratio (net in %) | 97.1 | 99.8 | -2.7pp |

Consolidated Income Statement (IFRS) - Quarterly Data

| (in EUR mn) | Q2 2014 | Q2 2013 | +/- % |
|---|----------------|----------------|----------------|
| Gross premiums written | 2,252.6 | 2,324.4 | -3.1 |
| Net earned premiums | 2,109.0 | 2,209.0 | -4.5 |
| Financial result | 280.0 | 322.8 | -13.3 |
| Other income | 30.5 | 39.7 | -23.2 |
| Expenses for claims and insurance benefits | -1,768.8 | -1,915.0 | -7.6 |
| Acquisition and administrative expenses | -462.4 | -463.3 | -0.2 |
| Other expenses | -49.2 | -146.9 | -66.5 |
| Profit before taxes | 139.0 | 46.3 | >100 |
| Taxes | -37.3 | -26.6 | 40.4 |
| Profit for the period | 101.7 | 19.8 | >100 |
| Non-controlling interests | -6.7 | -3.0 | >100 |
| Net profit after non-controlling interests | 95.0 | 16.7 | >100 |
| Combined Ratio (net in %) | 97.9 | 102.9 | -5.0pp |

Consolidated Balance Sheet (IFRS) 30 June 2014

| Assets (in EUR mn) | 31.03.2014 | 31.12.2013 | +/- % |
|---|---------------|---------------|------------|
| A. Intangible assets | 2,290 | 2,266 | 1.1 |
| B. Investments | 29,669 | 29,201 | 1.6 |
| C. Investments of unit- and index-linked life insurance | 7,038 | 6,707 | 4.9 |
| D. Reinsurers' share in underwriting provisions | 1,136 | 1,028 | 10.5 |
| E. Receivables | 1,646 | 1,561 | 5.4 |
| F. Tax receivables and advance payments out of income tax | 101 | 82 | 22.6 |
| G. Deferred tax assets | 80 | 92 | -13.1 |
| H. Other assets | 339 | 335 | 1.2 |
| I. Cash and cash equivalents | 875 | 705 | 24.1 |
| Total Assets | 43,173 | 41,977 | 2.8 |

| Liabilities and Shareholders' Equity (in EUR mn) | 31.03.2014 | 31.12.2013 | +/- % |
|---|---------------|---------------|------------|
| A. Shareholders' equity | 5,251 | 5,020 | 4.6 |
| B. Subordinated liabilities | 1,022 | 1,030 | -0.8 |
| C. Underwriting provisions | 27,439 | 25,980 | 5.6 |
| D. Unit- and index-linked underwriting provisions | 6,719 | 6,489 | 3.5 |
| E. Non-underwriting provisions | 559 | 600 | -6.8 |
| F. Liabilities | 1,684 | 2,432 | -30.8 |
| G. Tax liabilities out of income tax | 79 | 63 | 25.0 |
| H. Deferred tax liabilities | 234 | 167 | 40.0 |
| I. Other liabilities | 186 | 195 | -4.3 |
| Total Liabilities and Shareholders' Equity | 43,173 | 41,977 | 2.8 |

Segment Reporting (IFRS) 1 January - 30 June 2014

Split by lines of business:

| in EUR mn | Property&Casualty | | | Life | | | Health | | |
|------------------------|-------------------|---------|-------|---------|---------|-------|---------|---------|-------|
| | 6M 2014 | 6M 2013 | +/- % | 6M 2014 | 6M 2013 | +/- % | 6M 2014 | 6M 2013 | +/- % |
| Gross premiums written | 2,563.5 | 2,617.9 | -2.1 | 2,223.2 | 2,212.6 | 0.5 | 197.1 | 199.1 | -1.0 |
| Profit before Taxes | 157.6 | 39.2 | >100 | 101.6 | 144.8 | -29.8 | 31.6 | 21.7 | 45.5 |

Split by regions:

| in EUR mn | Austria | | | Czech Republic | | | Slovakia | | |
|--|----------------|----------------|-------------|----------------|--------------|-------------|--------------|--------------|------------|
| | 6M 2014 | 6M 2013 | +/- % | 6M 2014 | 6M 2013 | +/- % | 6M 2014 | 6M 2013 | +/- % |
| Gross premiums written Property&Casualty | 1,121.4 | 1,145.8 | -2.1 | 442.7 | 483.9 | -8.5 | 182.3 | 178.5 | 2.1 |
| Gross premiums written Life | 1,035.1 | 1,049.9 | -1.4 | 448.8 | 414.6 | 8.3 | 205.0 | 196.4 | 4.4 |
| Gross premiums written Health | 184.1 | 177.9 | 3.5 | | | | | | |
| Gross premiums written Total | 2,340.6 | 2,373.7 | -1.4 | 891.5 | 898.4 | -0.8 | 387.3 | 375.0 | 3.3 |
| Profit before Taxes | 110.7 | 112.3 | -1.4 | 85.8 | 90.2 | -4.9 | 25.7 | 24.6 | 4.3 |
| Combined Ratio (net in %) | 99.7 | 102.3 | -2,6pp | 88.7 | 93.7 | -5,0pp | 94.5 | 95.2 | -0,7pp |

| in EUR mn | Poland | | | Romania | | | Remaining | | |
|--|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|------------|
| | 6M 2014 | 6M 2013 | +/- % | 6M 2014 | 6M 2013 | +/- % | 6M 2014 | 6M 2013 | +/- % |
| Gross premiums written Property&Casualty | 296.2 | 293.9 | 0.8 | 137.7 | 154.1 | -10.6 | 319.1 | 321.0 | -0.6 |
| Gross premiums written Life | 269.2 | 315.9 | -14.8 | 27.5 | 42.3 | -34.9 | 232.4 | 188.7 | 23.1 |
| Gross premiums written Health | | | | | | | 13.0 | 21.2 | -38.9 |
| Gross premiums written Total | 565.3 | 609.7 | -7.3 | 165.2 | 196.3 | -15.8 | 564.5 | 530.9 | 6.3 |
| Profit before Taxes | 33.7 | 33.2 | 1.4 | 1.0 | -17.9 | n.a. | 23.2 | 22.6 | 2.5 |
| Combined Ratio (net in %) | 96.0 | 95.5 | 0,4pp | 108.3 | 117.7 | -9,4pp | 97.6 | 98.1 | -0,5pp |

| in EUR mn | Central Functions | | | Consolidation | | | Total | | |
|--|-------------------|--------------|------------|---------------|---------------|-------------|----------------|----------------|-------------|
| | 6M 2014 | 6M 2013 | +/- % | 6M 2014 | 6M 2013 | +/- % | 6M 2014 | 6M 2013 | +/- % |
| Gross premiums written Total | 684.8 | 677.5 | 1.1 | -615.4 | -632.0 | -2.6 | 4,983.8 | 5,029.7 | -0.9 |
| Profit before Taxes | 10.4 | -59.4 | n.a. | 0.4 | 0.0 | >100 | 290.9 | 205.7 | 41.4 |
| Net profit after non-controlling interests | | | | | | | 213.5 | 140.6 | 51.9 |