

What is innovation?

THE ART OF RECOGNISING OPPORTUNITIES AND SETTING OUT ON NEW PATHS.

HALF YEAR FINANCIAL REPORT 2010
VIENNA INSURANCE GROUP

LETTER FROM THE CHAIRMAN OF THE MANAGING BOARD

Dear Shareholders,
Dear Madam/Sir,

It was no more than a few weeks ago that we announced that we would be acquiring all outstanding shares of our subsidiary TBIH. I think that this company is a very visible demonstration of our organisation's gradual but focused expansion of its business base in the CEE region.



It was in 2005 that we first acquired a stake in the holding company TBIH. It even then showed great promise, as it had an attractive portfolio of insurers doing business primarily in some of the less developed CEE countries. Then, just a year later, we acquired an additional interest, bringing the Vienna Insurance Group's stake in TBIH up to a total of 60%, thereby enabling us to take greater advantage of the momentum of a company which was investing in CEE countries where we were not as yet active. TBIH currently holds interests in insurance companies in Turkey, Georgia and Ukraine. The Ukrainian insurance company UIG is an attractive company offering the Vienna Insurance Group the potential for expansion. We are taking advantage of this potential in order to turn Ukraine into a new core market in the CEE region, as we feel that the country's recent economic recovery offers good opportunities to build on our strong position as one of the country's leading insurance companies.

An expansion of the range of products offered in the CEE region is another strategic step we are taking. We are currently making the preparations needed to offer our customers legal expenses insurance for motor vehicles in the near future, initially in the Czech Republic, Slovakia and Poland. Based on the five million motor vehicles we are insuring in these markets, we were practically predestined to offer such a product.

I am once again able to report good news concerning our results for the 1st half of 2010. With a premium volume of EUR 4.6 billion, up around 8%, we have continued down our path of growth right from the start of the year. The non-life business, with a combined ratio of 98.3%, remains highly profitable despite the sharp increase in losses due to natural catastrophes in some CEE countries. We are thus able to post a profit before taxes of EUR 255.6 million, thereby remaining well in line with our earnings forecast for 2010, which provides for growth of at least 10%.

The continuity of our business expansion and of the corresponding results is, without doubt, the fundamental reason why the Vienna Insurance Group leads the industry rankings in the Strategic Performance Tests recently published by a large Austrian weekly newspaper. I take this as confirmation of the course we are on for growth, which we plan to continue.

The restructuring at the top of the organisation marks a key step in our development. The establishment of the Group holding company under the new name of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, along with operating company Wiener Städtische's concentration on its customer business in Austria, has been legal and in effect for a short while now. I might just mention how impressed I was by the Annual General Meeting's unanimous approval of the proposed new allocation of responsibilities within the Group. I am also inspired by the level of commitment and efficiency with which the restructuring was implemented. My sincere thanks for this go out to all employees. This has left us even better equipped to face the challenges of the future.

Sincerely yours,

Günter Geyer

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MANAGEMENT REPORT

BUSINESS DEVELOPMENT

With consolidated premiums written totaling EUR 4.6 billion in the first six months of 2010, Vienna Insurance Group achieved a plus of 7.9% compared to the same period of the previous year. The Group recorded an increase of 10.7% in net earned premiums.

In the first six months of 2010, the Group profit before taxes (consolidated) amounted to EUR 255.6 million. Despite the natural disasters, a remarkable growth of 11.0% was achieved.

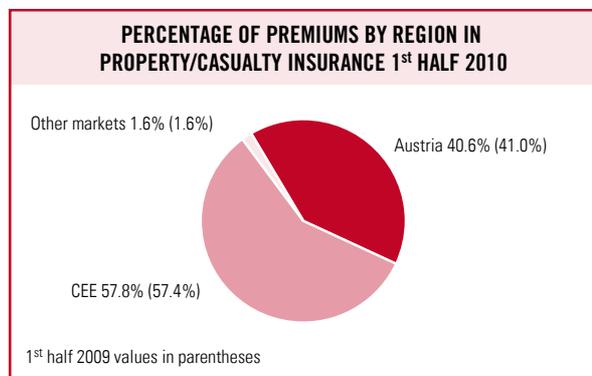
The combined ratio of the Group (net, i.e. after reinsurance, excluding investment income) remained below the 100% threshold. In the 1st half of 2010, it climbed to 98.3% due to the natural disasters of the current year. These damages (before reinsurance) – in particular in Austria, the Czech Republic, Poland and Romania – caused expenses of a total of about EUR 100 million.

In the first six months of 2010, the financial result of the Group totaled EUR 646.6 million, surging by 37.1% compared to the same period of the previous year due to the stabilisation of the capital markets. The investments of the Group amounted to EUR 26.8 billion as at 30 June 2010; this corresponds to an increase by 3.6% compared to the year-end level of 2009.

BUSINESS DEVELOPMENT BY LINES OF BUSINESS

Property/Casualty insurance

In this segment, Vienna Insurance Group recorded premiums written of EUR 2.4 billion, achieving a plus of 1.3%. Net earned premiums in this segment grew by 4.7%.



In the CEE markets, the Vienna Insurance Group companies reported premiums written in property/casualty insurance of a total of EUR 1.4 billion, corresponding to a plus of 2.0%.

In the non-CEE countries, premiums in this segment increased slightly, totaling about EUR 1.0 billion. With EUR 966.2 million, premiums in Austria remained on the prior-year level. In Germany, premiums rose by 1.9% to EUR 37.6 million.

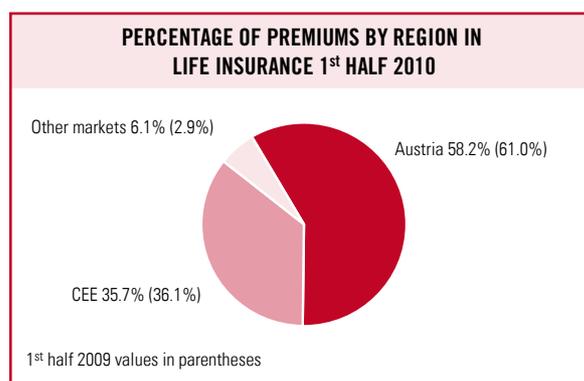
Life insurance

The Group companies of Vienna Insurance Group reported premiums written in this segment of a total of more than EUR 2.0 billion. Versicherung Group made a major contribution to the strong growth of 17.5%.

In the CEE markets, the life insurance segment posted a substantial growth of 16.1%, increasing premiums written to EUR 728.4 million.

In non-CEE markets, premiums written amounted to EUR 1.3 billion; this corresponds to a plus of 18.2% compared to the same period of last year.

Group premiums increased by approx. 8%
Despite the natural disasters, profit before taxes rose by 11%
Strong growth in the life insurance segment



Health insurance

With premiums written of EUR 164.9 million, Vienna Insurance Group records a growth of 1.3% in this segment.

BUSINESS DEVELOPMENT BY REGIONS

Austria

In the first six months of 2010, the Vienna Insurance Group companies reported premiums written of a total of EUR 2.3 billion in Austria, achieving an increase by 6.2%. In the property/casualty insurance segment, premiums written amounted to EUR 966.2 million. Growing by 12.2%, premiums in life insurance went up to EUR 1.2 billion.

Profit before taxes amounted to EUR 138.1 million in the first six months of 2010; compared to the same period of the previous year, a plus of 4.3% was achieved.

The combined ratio amounted to 95.1%.

Czech Republic

The Group companies of Vienna Insurance Group increased premiums written in the Czech Republic to a total of EUR 869.3 million; this corresponds to a plus of 11.9%.

In the non-life insurance segment, premiums written amounted to EUR 519.3 million, going up by 2.3%.

With a significant increase by 30.1%, premiums written in life insurance rose to EUR 350.0 million.

Profit before taxes increased by 20.1% to EUR 67.6 million compared to the same period of last year.

Despite damages paid due to storms, the combined ratio (net) amounted to 95.7% in the first six months of 2010.

Slovakia

In Slovakia, the Group companies reported a total of premiums written of EUR 326.3 million (+0.6%). A clear increase by 5.8% was achieved by the Group in net earned premiums.

In the non-life insurance segment, premiums written of EUR 167.2 million were registered. Growing by 13.6%, premiums written in the life insurance segment climbed to a total of EUR 159.1 million.

Profit before taxes rose from EUR 7.7 million to EUR 12.9 million.

The combined ratio improved to 95.2%.

Poland

In Poland, the Vienna Insurance Group companies increased premiums written by 31.8% to EUR 346.5 million in the 1st half of the current year.

In the non-life insurance segment, Vienna Insurance Group achieved an increase by 59.0% to EUR 270.9 million.

With premiums of EUR 75.7 million, a decline of 18.2% was reported in life insurance, which can be attributed exclusively to the strong downward trend in the single premium business.

The combined ratio rose to more than 100% due to flood-related damage.

Profit before taxes amounted to EUR 10.2 million in the 1st half of the current year.

Romania

In the non-life insurance segment, premiums of EUR 225.7 million were written. Due to the revenue-oriented portfolio restructuring, a decline in premiums was reported.

In the life insurance segment, premiums went up by a remarkable 39.8% to a total of EUR 48.3 million. This significant increase is mainly due to the strong selling power of BCR life insurance.

In the 1st half of 2010, the Romanian Group companies achieved premiums written of a total of EUR 274.0 million (-12.5%).

Profit before taxes rose by 18.7% to EUR 14.3 million.

Due to the development of damages, the combined ratio exceeded 100%.

Other CEE markets

The segment Other CEE markets comprises the Group companies of Vienna Insurance Group in the following countries: Albania, Bulgaria, Croatia, Macedonia, Serbia, Turkey, Ukraine, Hungary as well as the three Baltic states.

Premiums written totaled EUR 289.8 million, of which EUR 194.5 million were attributable to non-life insurance. In the life insurance segment, premiums of EUR 95.3 million correspond to a plus of 4.4%.

Profit before taxes amounted to EUR 3.6 million, compared to a loss of EUR 2.3 million in the first six months of 2009.

Other markets

In Germany and Liechtenstein, the Group companies succeeded in more than doubling their premiums, earning premiums written of a total of EUR 162.8 million.

Profit before taxes amounted to EUR 8.8 million.

Segment reporting by region

	Gross premiums written		Profit before taxes	
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
<i>in EUR mn</i>				
Austria	2,319.8	2,185.2	138.1	132.3
Czech Republic	869.3	776.6	67.6	56.3
Slovakia	326.3	324.4	12.9	7.7
Poland	346.5	262.9	10.2	14.4
Romania	274.0	313.0	14.3	12.1
Other CEE markets	289.8	300.7	3.6	-2.3
Other markets	162.8	88.4	8.8	9.7
Total	4,588.6	4,251.1	255.6	230.3

GROUP BUSINESS DEVELOPMENT IN 2ND QUARTER 2010

In the 2nd quarter of 2010, the Vienna Insurance Group wrote consolidated premiums totalling EUR 2.1 billion, representing an 8.0% increase compared to the same period in the previous year. The financial result (excluding equity-accounted companies) for the 2nd quarter was EUR 330.3 million.

Expenses for claims and insurance benefits were EUR 1,688.7 million in the 2nd quarter of 2010, up 13.3% relative to the comparable period a year ago. Operating expenses rose 5.9%, to EUR 438.3 million.

In Q2 2010, the Vienna Insurance Group recorded profit before taxes of EUR 122.2 million. This represents an increase of 11.7% compared to the 2nd quarter of 2009.

RISK REPORT

In the 1st half of 2010, the implementation of an Enterprise Risk Management Unit (ERM) at the Group level provided even more in-depth attention to the core competence of the Vienna Insurance Group, the professional controlling of risks. The refinement of risk management processes at the Group level, the development of an internal model for risk handling, and a range of other measures such as group-wide standardised training for risk managers at the highest level, guarantee a forward-looking and targeted identification, analysis, valuation and management of risks across the entire organisation.

The integration of subsidiaries into the group-wide risk process can now be regarded as concluded.

As has already been true of the most recent periods, the Vienna Insurance Group is perfectly equipped for any future solvency requirements through its systematic implementation of a qualified, conservative risk policy and on the basis of its existing capital strength.

Current topics

In early January 2010, notwithstanding the difficult economic environment, Standard & Poor's (S&P) expressly confirmed its existing "A+" rating with stable outlook for the Vienna Insurance Group, thereby confirming the group's high risk capacity. At the moment, the further development of risk management is focusing on two major group-wide projects, both of which are moving ahead quite well. First is the implementation of the solvency guidelines of the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS), and the other is the ongoing development of an internal capital model, to which a great deal of attention is being given.

Outlook

Following modestly positive developments on the global financial markets at the start of the year and the significant correction in Q2 2010, the general expectation for the 2nd half of the year is for a volatile sideways movement at around the current levels. Given this outlook, the conservative approach taken by the Vienna Insurance Group to date on the financial markets has therefore remained unchanged.

CURRENT TOPICS & OUTLOOK

REPORT ON THE ANNUAL GENERAL MEETING (AGM)

The 19th Annual General Meeting of Vienna Insurance Group was held on 29 June 2010 in the Wiener Stadthalle. All resolutions at the Annual General Meeting were approved by the shareholders with a clear majority. The presentation made by Managing Board Chairman Günter Geyer was broadcast live over the Internet, in three languages. The documents relating to the Annual General Meeting and a recording of the live broadcast can be found online for download at www.vig.com/en/investor-relations/events/annual-general-meeting.

Inter alia, the following were the main resolutions passed at the 2010 AGM:

New company structure approved

The Annual General Meeting decided to spin off the insurance division as a 100% subsidiary, which is called the "WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group". This change provides the Vienna Insurance Group with a modern, future-orientated management structure appropriate to the requirements of an international group. Since 3 August 2010 the listed holding of the Group bears the name "VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe".

Dividend of EUR 0.90 per share

The Vienna Insurance Group continued its stable development in 2009. Significantly influenced by the business development in CEE, the Group achieved profits before taxes of over EUR 441 million and premiums of over EUR 8 billion. The Annual General Meeting approved the management's proposal to pay out a dividend of EUR 0.90 per share for the previous financial year 2009.

VIG International

Increase in TBIH holding to 100%

After taking over the operational control of TBIH Financial Services Group N.V (TBIH), Vienna Insurance Group and Kardan Financial Services B.V. have agreed on the purchase of the minority holding of 40% in TBIH held by Kardan Financial Services. This means that upon closing of the transaction Vienna Insurance Group will hold 100% of the shares in TBIH.* This step completes the steady increase in influence by Vienna Insurance Group on TBIH business operations. Vienna Insurance Group directly took over the holdings held by TBIH in insurance companies in Albania, Bulgaria, Croatia and Macedonia back in 2009.

Launch of the motor legal expenses insurance in CEE

Continuously expanding its product portfolio, Vienna Insurance Group will offer legal expenses insurance for motor vehicles in the Czech Republic, Slovakia as well as in Poland. The Group companies insure about five million vehicles in these three countries already now. On this sound basis, the Group envisages excellent opportunities to expand customer relations by introducing motor legal expenses insurance. This step paves the way for a significant growth potential in the future.

VIG Montenegro

Market entry going according to plan

The market entry of the Vienna Insurance Group in Montenegro is making good progress. Following the foundation of an appropriate company an application to the country's supervisory authority for the granting of a life insurance licence for Wiener Städtische zivotno osiguranje Podgorica a.d., based in Podgorica, has been submitted. It is expected that approval will be granted in the 3rd quarter of 2010. By expanding its geographical network in this way, the Vienna Insurance Group now adds another market with long-term high growth potential to the Group's portfolio.

VIG Ukraine

New core market Ukraine

With more than 45 million inhabitants, Ukraine is one of the most heavily populated countries of the CEE region. Vienna Insurance Group has been active in the life insurance segment in this market already since 2004, in the year 2005 it expanded its portfolio also in the non-life insurance segment. One of the most important consequences of the take-over of the TBIH shares, was the inclusion of UIG in the Group. This fast-growing non-life insurer with a strong future potential has optimally taken advantage of the favourable economic trend recorded in

*The acquisition of the minority holding of 40% in TBIH is subject to official approval.

Ukraine since spring 2010. In view of this economic dynamism, the management of Vienna Insurance Group decided to make Ukraine the tenth core market of the Group and seeks to improve its strong position as one of the leading insurance groups in this country.

VIG Group

The new organisational structure is now legally in effect

With effect from 3 August 2010 and following approval from the Austrian Financial Market Authority (FMA), the company's operational insurance business in Austria was legally segregated from the holding functions of the Group. WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group, as the largest single company, will therefore continue to handle the property/casualty, life and health insurance business in Austria.

Besides exercising the usual international control functions of a listed group, VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe is also active in the reinsurance and international wholesale insurance business.

The Managing Board of WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group is comprised as follows:

- General Manager Robert Lasshofer (Chairman of the Managing Board)
- Member of the Managing Board Christine Dornaus
- Member of the Managing Board Judit Havasi
- Member of the Managing Board Erich Leiß
- Member of the Managing Board Peter Höfing

The Managing Board of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe is comprised as follows:

- General Manager Günter Geyer (Chairman of the Managing Board)
- Deputy General Manager Peter Hagen
- 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

Deputy Members of the Managing Board:

- Franz Kosyna
- Roland Gröll

Winner of the "Format Strategic Performance Test"

The Vienna Insurance Group was ranked 1st in the "Banks and Insurance Companies" category in the "Format Strategic Performance Test", the results of which are announced in the 30 July 2010 edition of the news magazine Format. The Vienna Insurance Group heads the ranking in the 1 and 3 year assessments. The expert study has been compiled annually for the last 12 years by Contrast Management Consulting and uses a range of criteria, such as return on equity, annual growth and shareholder return.

The early entry into the CEE markets has formed the cornerstone for the continuing growth of the Vienna Insurance Group. Since 1990, the Group has had average annual growth rates of approximately 10% in terms of turnover and profit. The entry into further new markets enables growth to be achieved even in tough economic conditions, as has been the case in the last few years. In addition, early market entry leads to very efficient use of capital and substantiates the far-sightedness of the management's CEE strategy. A key factor contributing to the growth of the Vienna Insurance Group is a broad and diversified distribution structure. For example, the expansion of sales via the bank counter, particularly in CEE, has contributed real dynamism. Good sales figures are achieved, particularly in the life insurance segment, via this sales channel.

OUTLOOK

As shown by the results for the 1st half of 2010, an increase of more than 10% in profit before taxes and a single-digit percentage increase in premiums continue to be achievable. In spite of the sharp increase in claims, especially in Austria, the Czech Republic, Slovakia and Poland, the combined ratio is expected to remain below 100%.

In addition, this year will see the conclusion of the action programme that was begun in the previous year. The goal of saving EUR 100 million by the end of the year has already been 80% achieved.

CAPITAL MARKETS & INVESTOR RELATIONS

CAPITAL MARKET

International overview

After an optimistic start of the year, the overall performance of the capital markets during the 1st half of 2010 was influenced by the persistent nervousness of market players. At the beginning of the year, the promising momentum at the end of the previous year managed to continue. After a short pull-back in the wake of growing worries over economic developments, a strong counter-movement set in from March onwards due to dwindling inflation concerns and unexpectedly positive corporate results, particularly from U.S. financial service providers. But as early as April, economic development once again returned to the forefront. The main point of interest to investors was, above all, the national debt of some Southern European EU Member States. This caused stock markets to shed their entire gain for the year in just a few weeks' trading. Most of all, it was the downgrading of the sovereign debt of the EU countries in question that led to investors' increased sensitivity to risk. Only a comprehensive EU assistance package aimed at refinancing the national debt of some countries managed to put a halt to the market slide. Even so, this failed to introduce a lasting change in trend, and the nervous sentiment has consequently caused the challenging stock market environment to be marked by volatile sideways movement.

On stock market indices of international significance, this uncertain sentiment has led across the board to significant price drops relative to the end of year levels. The U.S. Dow Jones Industrial stock market index (DJI), for example, was down 6.3% at the end of June. The leading Japanese index, the Nikkei 225, was also showing a negative performance of around 11% by the mid-year. The looming over-indebtedness of some EU Member States had an even stronger effect on European exchanges. The Eurostoxx 50 index, for instance, showed a price drop of 13.2% for the first six months of this year.

CEE stock markets did much better. The CECE Index, which is calculated in euros, at 1,753.17 off 4.1%, turned in a clearly better performance than the benchmark European index. This is mainly due to lower debt levels as well as to economic prospects brighter than other areas of the world.

Vienna Stock Exchange

During the first six months of 2010, the Vienna Stock Exchange failed to sidestep the weak global conditions, the ATX dropping 8.7%, to 2,278.80, by the end of June. After confidence regarding the economic recovery had led to share price gains as late as the 1st quarter of 2010, concern then took hold on the Viennese market too regarding a possible insolvency of some Southern European EU member states. This led to an interim low for the year, 2,216.84, reached on 8 June 2010.

INVESTOR RELATIONS

In May and June, the Vienna Insurance Group accepted invitations from a number of investment banks to participate in outstanding investor events. As in the previous year, these events were the German & Austrian Corporate Conference, organised by Deutsche Bank in Frankfurt, as well as Goldman Sachs' by now traditional European Financials Conference in Madrid.

This year, the Vienna Insurance Group was represented for the first time at the HSBC Austrian Companies Conference in London as well as at the Credit Suisse European Financials West Coast Conference in San Francisco. Three separate road shows, in Paris, Edinburgh and Chicago/Dallas, rounded off our Investor Relations Programme for the 1st half of 2010.

The focus of many of the conversations between investors and management were current developments and growth trends in the CEE region as well the new capital requirement guidelines for insurers in connection with Solvency II.

At the end of July, there was a welcome change in analysts' assessments of the Vienna Insurance Group. Citigroup raised its recommendation for VIG shares to a "Buy" and lifted its target price from EUR 40.00 to EUR 45.00. This brings the average target price of all research reports published to date to around EUR 42.00 per share.

SHARE

VIENNA INSURANCE GROUP SHARES

Key share information 1st half 2010

High	EUR	39.81
Low	EUR	30.84
Price as of 30 June 2010	EUR	34.28
Market capitalisation	EUR	4.39 bn
Dividend 2009	EUR	0.90
Average daily stock exchange trading volume*	EUR	4.49 mn

*using single counting

Overview of VIG shares

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

VIG share performance

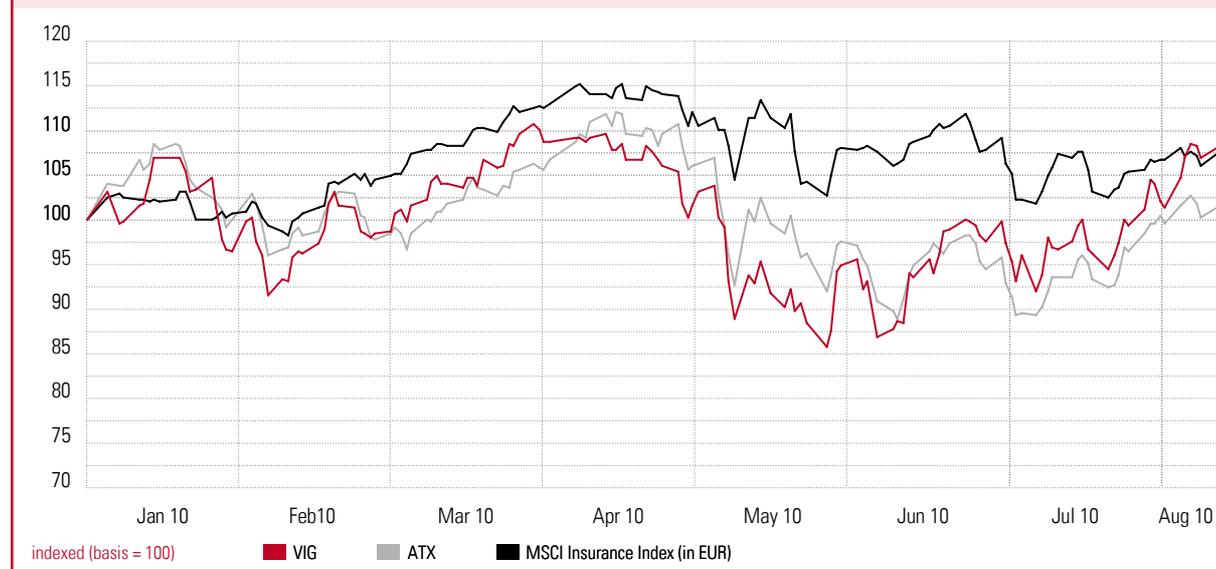
The first few trading weeks of this year were very good to Vienna Insurance Group shareholders. The excellent earnings trend relative to international markets led to the shares hitting a temporary high for the year on 29 March 2010, EUR 39.81. Notwithstanding this, the globally negative investor sentiment subsequently had a negative impact on VIG share prices as well. Relative to the year-end price, the share has recorded a slight price drop of around 4.8%, but has out-performed the ATX index by about 4%-points.

VIG financial calendar*

9M results for 2010	9 November 2010
Preliminary unconsolidated premiums 2010	25 January 2011
Results and Embedded Value for 2010	31 March 2011
Annual General Meeting	6 May 2011
Ex-dividend day	16 May 2011
Dividend payment date	16 May 2011
3M results for 2011	17 May 2011
6M results for 2011	18 August 2011
9M results for 2011	15 November 2011

* preliminary schedule

VIENNA INSURANCE GROUP (VIG) COMPARED TO THE ATX AND MSCI INSURANCE INDEX (IN EUR)
1 January 2010 – 9 August 2010



CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2010

ASSETS	30.6.2010	31.12.2009
<i>in EUR '000</i>		
A. Intangible assets		
I. Goodwill	1,776,427	1,754,694
II. Purchased insurance portfolio	73,391	81,149
III. Other intangible assets	135,694	139,573
Total intangible assets	1,985,512	1,975,416
B. Investments		
I. Land and buildings	3,282,464	3,301,248
II. Shares in at equity consolidated companies	121,512	115,859
III. Financial instruments	23,434,938	22,476,944
a) Loans and other investments	4,639,757	4,713,204
b) Other securities	18,795,181	17,763,740
Financial instruments held to maturity	2,922,780	2,890,314
Financial investments available for sale	14,518,529	13,514,370
Financial instruments recognised at fair value through profit and loss*	1,353,872	1,359,056
Total investments	26,838,914	25,894,051
C. Investments of unit- and index-linked life insurance	5,150,767	4,628,446
D. Reinsurers' share in underwriting provisions	1,205,107	1,117,237
E. Receivables	1,730,388	1,563,449
F. Tax receivables and advance payments	107,122	110,806
G. Deferred tax assets	106,953	122,329
H. Other assets	365,640	376,008
I. Cash and cash equivalents	624,088	484,523
Total ASSETS	38,114,491	36,272,265

* including trading assets

CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2010

LIABILITIES AND SHAREHOLDERS' EQUITY	30.6.2010	31.12.2009
<i>in EUR '000</i>		
A. Shareholders' equity		
I. Share capital	132,887	132,887
II. Other capital reserves	2,109,003	2,109,003
III. Capital reserves from hybrid capital	495,602	495,602
IV. Retained earnings	1,663,802	1,478,447
V. Other reserves	171,316	123,341
VI. Non-controlling interests	301,576	289,293
Total shareholders' equity	4,874,186	4,628,573
B. Subordinated liabilities	545,226	545,349
C. Underwriting provisions		
I. Unearned premiums	1,374,480	1,120,066
II. Mathematical reserve	17,839,821	17,347,996
III. Provision for outstanding claims	3,655,366	3,471,984
IV. Provisions for premium refunds not dependent on profit	51,203	54,150
V. Provision for profit dependent premium refunds	861,583	559,140
VI. Other underwriting provisions	30,855	24,921
Total underwriting provisions	23,813,308	22,578,257
D. Underwriting provisions of unit- and index-linked life insurance	4,873,683	4,376,160
E. Non-underwriting provisions		
I. Provisions for pensions and similar obligations	297,508	298,402
II. Other provisions	268,074	286,499
Total non-underwriting provisions	565,582	584,901
F. Liabilities	2,962,744	3,052,245
G. Tax liabilities out of income tax	100,185	112,351
H. Deferred tax liabilities	161,612	160,035
I. Other liabilities	217,965	234,394
Total LIABILITIES AND SHAREHOLDERS' EQUITY	38,114,491	36,272,265

CONSOLIDATED SHAREHOLDERS' EQUITY

Change in consolidated shareholders' equity in financial years 2010 and 2009

	Share capital	Other capital reserves	Capital reserves from hybrid capital	Retained earnings	Other reserves	Subtotal	Non-controlling interests	Shareholders' equity
in EUR '000								
As of 1 January 2009	132,887	2,109,003	245,602	1,423,144	-38,763	3,871,873	266,917	4,138,790
Changes in ownership interests	0	0	0	1,395	0	1,395	525	1,920
Capital increase	0	0	250,000	0	0	250,000	0	250,000
Total profit for the period including other comprehensive income after taxes	0	0	0	179,833	47,367	477,200	12,775	239,975
Dividend payment	0	0	0	-140,800	0	-140,800	-1,049	-141,849
As of 30 June 2009	132,887	2,109,003	495,602	1,463,572	55,971	4,209,668	279,168	4,488,836
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 ownership interests	0	0	0	-11,092	0	-11,092	530	-10,562
Capital increase	0	0	0	0	0	0	0	0
Total profit for the period including other comprehensive income after taxes	0	0	0	196,447	47,975	244,422	13,890	259,622
Dividend payment	0	0	0	0	0	0	-3,447	-3,447
As of 30 June 2010	132,887	2,109,003	495,602	1,663,802	219,291	4,572,610	301,576	4,874,186

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

CONSOLIDATED INCOME STATEMENT

	1.1.-30.6.2010	1.1.-30.6.2009
for the period from 1 January to 30 June 2010 (including comparative period)		
in EUR '000		
Premiums		
Premiums written - Gross	4,588,600	4,251,137
Premiums written - Reinsurers' share	-442,329	-464,722
Premiums written - Retention	4,146,271	3,786,415
Change in unearned premium - Gross	-231,745	-250,846
Change in unearned premium - Reinsurers' share	85,739	77,230
Net earned premiums	4,000,265	3,612,799
Financial result excluding at equity consolidated companies		
Income from investments	843,622	926,935
Expenses for investments and interest expenses	-203,118	-460,091
Total financial result excluding at equity consolidated companies	640,504	466,844
Result from shares in at equity consolidated companies	6,068	4,740
Other income	85,458	61,997
Expenses for claims and insurance benefits		
Expenses for claims and insurance benefits - Gross	-3,633,313	-3,156,540
Expenses for claims and insurance benefits - Reinsurers' share	216,759	193,640
Total expenses for claims and insurance benefits	-3,416,554	-2,962,900
Operating expenses		
Acquisition expenses	-759,897	-689,949
Other administrative expenses	-182,133	-192,885
Reinsurance commissions	56,201	59,205
Total operating expenses	-885,829	-823,629
Other expenses	-174,293	-129,598
Profit before taxes	255,619	230,253
Tax expense	-45,820	-40,221
Profit for the period	209,799	190,032
<i>thereof attributable to shareholders of Vienna Insurance Group</i>	<i>196,447</i>	<i>179,833</i>
<i>thereof non-controlling interests in net profit for the period</i>	<i>13,352</i>	<i>10,199</i>
Earnings per share (annualised)		
Undiluted = diluted earnings per share (in EUR)	3.07	2.81

CONSOLIDATED INCOME STATEMENT

	1.4.-30.6.2010	1.4.-30.6.2009
for the period from 1 April to 30 June 2010 (including comparative period)		
in EUR '000		
Premiums		
Premiums written - Gross	2,057,649	1,905,706
Premiums written - Reinsurers' share	-178,057	-164,118
Premiums written - Retention	1,879,592	1,741,588
Change in unearned premium - Gross	71,347	101,390
Change in unearned premium - Reinsurers' share	2,161	-28,428
Net earned premiums	1,953,100	1,814,550
Financial result excluding at equity consolidated companies		
Income from investments	430,249	415,642
Expenses for investments and interest expenses	-99,904	-186,849
Total financial result excluding at equity consolidated companies	330,345	228,793
Result from shares in at equity consolidated companies	5,863	4,638
Other income	53,040	20,790
Expenses for claims and insurance benefits		
Expenses for claims and insurance benefits - Gross	-1,791,745	-1,584,828
Expenses for claims and insurance benefits - Reinsurers' share	103,035	94,990
Total expenses for claims and insurance benefits	-1,688,710	-1,489,838
Operating expenses		
Acquisition expenses	-373,036	-337,018
Other administrative expenses	-91,643	-97,296
Reinsurance commissions	26,424	20,590
Total operating expenses	-438,255	-413,724
Other expenses	-93,199	-55,776
Profit before taxes	122,184	109,433
Tax expense	-21,648	-18,420
Profit for the period	100,536	91,013
<i>thereof attributable to shareholders of Vienna Insurance Group</i>	<i>95,229</i>	<i>85,081</i>
<i>thereof non-controlling interests in net profit for the period</i>	<i>5,307</i>	<i>5,932</i>
Earnings per share (annualised)		
Undiluted = diluted earnings per share (in EUR)	2.98	2.66

OTHER COMPREHENSIVE INCOME

	30.06.2010	30.06.2009
in EUR '000		
Profit for the period	209,799	190,032
+/- Exchange rates through equity	658	-1,788
+/- Unrealised gains and losses from financial instruments available for sale	59,902	62,680
Taxes on other comprehensive income*	-10,737	-10,949
Other comprehensive income after taxes	259,622	239,975
thereof attributable to VIENNA INSURANCE GROUP shareholders	245,732	227,200
thereof non-controlling interests	13,890	12,775

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

CONSOLIDATED CASH FLOW STATEMENT

for the period from 1 January to 30 June 2010 (including comparative period)	1.1.-30.6.2010	1.1.-30.6.2009
<i>in EUR '000</i>		
Profit for the period	209,799	190,032
Change in underwriting provisions net	1,231,052	774,156
Change in underwriting receivables and liabilities	-368,095	-311,672
Change in deposit receivables and liabilities, as well as in reinsurance receivables and liabilities	63,001	-6,627
Change in other receivables and liabilities	58,388	151,918
Changes in securities held for trading	12,196	47,426
Gain/loss from disposal of investments	-84,551	-74,263
Depreciation/appreciation of all other investments	58,107	169,370
Change in pension, severance and other personnel provisions	-931	-42,076
Change in deferred tax assets/liability	512	-1,578
Change in other balance sheet items	-23,530	-286,871
Change in other intangible assets	4,367	2,653
Other cash neutral income and expenses, and adjustments to the result for the period	-84,798	396,508
Cash flow from operating activities	1,075,517	1,008,976
Cash inflow from the sale of fully and at equity consolidated companies	13,786	1,493
Payments for the acquisition of fully and at equity consolidated companies	-30,475	-442,449
Cash inflow from the sale of financial instruments available for sale	1,137,252	1,987,445
Payments for the acquisition of financial instruments available for sale	-1,848,426	-3,180,656
Cash inflow from the sale of financial instruments held to maturity	246,587	183,921
Payments for the acquisition of financial instruments held to maturity	-217,390	-411,140
Cash inflow from the sale of land and buildings	84,048	12,032
Payments for the acquisition of land and buildings	-92,710	-107,869
Change in unit- and index-linked life insurance items	-298,710	-326,712
Change in other investments	110,569	859,033
Cash flow from investing activities	-895,469	-1,424,902
Capital increase incl. hybrid capital	0	250,000
Non-controlling interest in capital increase	0	0
Decrease/increase subordinated liabilities	-123	39,643
Dividend payments	-3,446	-141,849
Cash in- and outflow from other financing activities	-25,330	18,095
Cash flow from financing activities	-28,899	165,889
Change in cash and cash equivalents	151,149	-250,037
Cash and cash equivalents at beginning of period	484,523	619,327
Change in cash and cash equivalents	151,149	-250,037
Change in scope of consolidation	49	18,202
Foreign currency exchange differences in cash and cash equivalents	-11,633	-2,015
Cash and cash equivalents at end of period	624,088	385,477
<i>thereof non-profit housing societies</i>	<i>71,291</i>	<i>60,277</i>
Additional information		
Received interest	394,688	356,310
Received dividends	86,300	100,235
Interest paid	33,871	39,749
Income taxes paid	38,488	147,251

SEGMENT REPORTING

CONSOLIDATED BALANCE SHEET BY LINES OF BUSINESS

ASSETS	Property/Casualty		Life		Health		Total	
	30.6.2010	31.12.2009	30.6.2010	31.12.2009	30.6.2010	31.12.2009	30.6.2010	31.12.2009
in EUR '000								
A. Intangible assets	1,051,156	1,035,067	933,215	939,146	1,141	1,203	1,985,512	1,975,416
B. Investments	4,235,882	4,133,395	21,640,845	20,883,643	962,187	877,013	26,838,914	25,894,051
C. Investments of unit- and index-linked life insurance	0	0	5,150,767	4,628,446	0	0	5,150,767	4,628,446
D. Reinsurers' share in underwriting provisions	1,076,319	990,317	128,698	125,586	90	1,334	1,205,107	1,117,237
E. Receivables	1,159,823	1,028,377	549,498	510,987	21,067	24,085	1,730,388	1,563,449
F. Tax receivables and advance payments	91,019	95,581	16,050	15,185	53	40	107,122	110,806
H. Other assets	192,861	195,825	166,995	174,757	5,784	5,426	365,640	376,008
I. Cash and cash equivalents	121,790	114,068	499,137	366,470	3,161	3,985	624,088	484,523
Subtotal	7,928,850	7,592,630	29,085,205	27,644,220	993,483	913,086	38,007,538	36,149,936
Consolidated deferred tax assets							106,953	122,329
Total ASSETS							38,114,491	36,272,265

LIABILITIES AND SHAREHOLDERS' EQUITY	Property/Casualty		Life		Health		Total	
	30.6.2010	31.12.2009	30.6.2010	31.12.2009	30.6.2010	31.12.2009	30.6.2010	31.12.2009
in EUR '000								
B. Subordinated liabilities	164,044	263,987	381,182	281,362	0	0	545,226	545,349
C. Underwriting provisions	4,686,785	4,271,345	18,243,975	17,454,165	882,548	852,747	23,813,308	22,578,257
D. Underwriting provisions of unit- and index-linked life insurance	0	0	4,873,683	4,376,160	0	0	4,873,683	4,376,160
E. Non-underwriting provisions	285,906	311,281	243,048	237,239	36,628	36,381	565,582	584,901
F. Liabilities	693,047	693,196	2,140,258	2,237,093	129,439	121,956	2,962,744	3,052,245
G. Tax liabilities out of income tax	70,670	77,734	23,091	28,193	6,424	6,424	100,185	112,351
I. Other liabilities	41,490	51,028	176,398	183,080	77	286	217,965	234,394
Subtotal	5,941,942	5,668,571	26,081,635	24,797,292	1,055,116	1,017,794	33,078,693	31,483,657
Consolidated deferred tax liabilities							161,612	160,035
Consolidated shareholders' equity							4,874,186	4,628,573
Total LIABILITIES AND SHAREHOLDERS' EQUITY							38,114,491	36,272,265

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 REGIONS

BUSINESS LINES	Property/Casualty		Life		Health		Total	
	1.1.-30.6.10	1.1.-30.6.09	1.1.-30.6.10	1.1.-30.6.09	1.1.-30.6.10	1.1.-30.6.09	1.1.-30.6.10	1.1.-30.6.09
in EUR '000								
Premiums written - Gross	2,381,329	2,349,641	2,042,350	1,738,647	164,921	162,849	4,588,600	4,251,137
Net earned premiums	1,814,923	1,734,170	2,022,739	1,718,208	162,603	160,421	4,000,265	3,612,799
Financial result excluding at equity consolidated companies	103,634	85,027	522,579	376,636	14,291	5,181	640,504	466,844
Result from shares in at equity consolidated companies	2,909	1,872	3,099	2,875	60	-7	6,068	4,740
Other income	22,243	38,588	63,212	23,344	3	65	85,458	61,997
Expenses for claims and insurance benefits	-1,214,914	-1,128,668	-2,058,935	-1,697,160	-142,705	-137,072	-3,416,554	-2,962,900
Operating expenses	-520,359	-486,211	-346,835	-316,790	-18,635	-20,628	-885,829	-823,629
Other expenses	-81,761	-88,271	-92,367	-40,909	-165	-418	-174,293	-129,598
Profit before taxes	126,675	156,507	113,492	66,204	15,452	7,542	255,619	230,253

REGIONS	Austria		Czech Republic		Slovakia		Poland	
	1.1.-30.6.10	1.1.-30.6.09	1.1.-30.6.10	1.1.-30.6.09	1.1.-30.6.10	1.1.-30.6.09	1.1.-30.6.10	1.1.-30.6.09
in EUR '000								
Premiums written - Gross	2,319,803	2,185,182	869,341	776,585	326,289	324,404	346,523	262,906
Net earned premiums	1,963,933	1,847,247	780,296	662,975	286,572	270,782	313,561	240,961
Financial result excluding at equity consolidated companies	475,369	354,931	60,788	25,192	23,003	17,819	26,321	14,495
Result from shares in at equity consolidated companies	5,156	3,610	912	1,130	0	0	0	0
Other income	5,628	5,888	7,431	12,529	2,395	3,000	3,032	1,711
Expenses for claims and insurance benefits	-1,958,580	-1,740,838	-544,914	-436,371	-228,570	-213,833	-195,773	-136,973
Operating expenses	-336,630	-316,415	-202,749	-172,556	-44,319	-46,986	-131,753	-99,477
Other expenses	-16,786	-22,075	-34,120	-36,577	-26,193	-23,098	-5,163	-6,301
Profit before taxes	138,090	132,348	67,644	56,322	12,888	7,684	10,225	14,416

	Romania		Other CEE markets		Other markets		Total	
	1.1.-30.6.10	1.1.-30.6.09	1.1.-30.6.10	1.1.-30.6.09	1.1.-30.6.10	1.1.-30.6.09	1.1.-30.6.10	1.1.-30.6.09
in EUR '000								
Premiums written - Gross	274,036	313,009	289,806	300,662	162,802	88,389	4,588,600	4,251,137
Net earned premiums	250,424	272,320	247,143	233,910	158,336	84,604	4,000,265	3,612,799
Financial result excluding at equity consolidated companies	20,200	25,206	26,418	19,947	8,405	9,254	640,504	466,844
Result from shares in at equity consolidated companies	0	0	0	0	0	0	6,068	4,740
Other income	9,046	20,739	5,375	4,445	52,551	13,685	85,458	61,997
Expenses for claims and insurance benefits	-180,567	-209,526	-177,521	-165,858	-130,629	-59,501	-3,416,554	-2,962,900
Operating expenses	-75,783	-90,686	-81,314	-80,978	-13,281	-16,531	-885,829	-823,629
Other expenses	-8,999	-5,985	-16,489	-13,740	-66,543	-21,822	-174,293	-129,598
Profit before taxes	14,321	12,068	3,612	-2,274	8,839	9,689	255,619	230,253

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDING 30 JUNE 2010

Summary of Significant Accounting Policies

The consolidated financial statements for the 1st half of 2010 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 Management Board or Supervisory Board during the reporting period.

Disclosures on changes in the scope of consolidation

PZM Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group was fully consolidated in the Vienna Insurance Group for the first time as of the 1st quarter of 2010. The companies Sigma Vienna Insurance Group Sh.A., Tirana, WINNER Vienna Insurance Group, Skopje, and "WIENER RE" akcionarsko društvo za reosiguranje were fully consolidated for the first time in the 2nd quarter of 2009 and CAME Holding GmbH, Vienna, was fully consolidated for the first time in the 3rd quarter of 2009.

The insurance portfolio of BULGARSKI IMOTI LIFE Insurance Company AD, which was deconsolidated as of 1 January 2010, was transferred to BULSTRAD LIFE VIENNA INSURANCE GROUP Joint Stock Company at the end of 2009.

Omniasig Asigurari de Viata SA was deconsolidated in the 1st quarter of 2010, since the requirements for control were no longer present, and DVS Donau-Versicherung Vermittlungs- und Service-Gesellschaft m.b.H., Vienna, was deconsolidated in the 3rd quarter of 2009.

DVS Donau-Versicherung Vermittlungs- und Service-Gesellschaft m.b.H., Vienna, which was previously included in the consolidated financial statements, was split in financial year 2009. The part material from the perspective of the Group was transferred to the newly established company CAME Holding GmbH, Vienna.

KONTINUITA poisťovňa, a.s. Vienna Insurance Group, Bratislava, was merged into KOMUNÁLNA poisťovňa, a.s. Vienna Insurance Group, Bratislava, in the second half of 2009. In addition, during the 1st half of 2010, the two Croatian companies Helios Vienna Insurance Group d.d. and Cosmopolitan Life Vienna Insurance Group d.d., were merged. The combined entity now trades as Helios Vienna Insurance Group d.d.

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

Losses due to natural catastrophes in the 1st half of 2010 were around EUR 100 million (gross) for the Group.

Changes in contingent liabilities and claims

There were no changes in this area during the reporting period just ended relative to the 1st half of 2009.

INTANGIBLE ASSETS

Composition	30.6.2010	31.12.2009
<i>in EUR '000</i>		
Goodwill	1,776,427	1,754,694
Purchased insurance portfolios	73,391	81,149
Other assets	135,694	139,573
Purchased software	49,143	49,420
Others	86,551	90,153
Total	1,985,512	1,975,416

OTHER SECURITIES

Development	Held to maturity		Available for sale		Trading assets		Recognised at fair value through profit and loss	
	30.6.2010	31.12.2009	30.6.2010	31.12.2009	30.6.2010	31.12.2009	30.6.2010	31.12.2009
<i>in EUR '000</i>								
Acquisition costs	2,907,377	2,365,092						
Cumulative depreciation as of 31.12. of previous years	-17,063	-18,031						
Book value as of 31.12. of the previous year	2,890,314	2,347,061	13,514,370	11,707,295	118,916	287,271	1,240,140	1,230,068
Exchange rate changes	59,424	27,544	1,039	-564	-900	3,320	4,296	1,550
Book value as of 1.1.	2,949,738	2,374,605	13,515,409	11,706,731	118,016	290,591	1,244,436	1,231,618
Reclassifications		13,056	-6,600	-45,918	-13	-136,525	-989	-27,746
Additions	217,390	684,793	1,848,427	5,320,269	38,566	206,673	123,162	280,341
Disposals	-246,543	-218,094	-1,116,556	-3,641,892	-45,274	-263,865	-162,628	-277,347
Changes in scope of consolidation	2,301	35,954	3,067	-256,810	0	19,584	-19	7,153
Changes in value recognised through profit and loss	-106	0	3,891	0	1,753	4,083	36,862	26,121
Changes in value not recognised through profit and loss	0	0	283,809	616,141	0	0	0	0
Impairments	0	0	-12,918	-184,151	0	-1,625	0	0
Book value as of 30.06. and 31.12. respectively	2,922,780	2,890,314	14,518,529	13,514,370	113,048	118,916	1,240,824	1,240,140
Cumulative appreciation/depreciation as of 30.06. and 31.12. respectively	15,711	17,063						
Acquisition costs	2,938,491	2,907,377						

REINSURERS' SHARE IN UNDERWRITING PROVISIONS

Composition	Property/ Casualty	Life	Health	Total	Total
	30.6.2010	30.6.2010	30.6.2010	30.6.2010	31.12.2009
in EUR '000					
Unearned premiums	143,810	6,937	0	150,747	112,837
Mathematical reserve	3	112,920	0	112,923	111,062
Provisions for outstanding claims	924,623	8,778	90	933,491	885,114
Provisions for premium refunds not dependent on profit	4,028	0	0	4,028	4,438
Provisions for profit dependent premium refunds	0	0	0	0	0
Other underwriting provisions	3,855	63	0	3,918	3,786
Total	1,076,319	128,698	90	1,205,107	1,117,237

RECEIVABLES

Composition	Property/ Casualty	Life	Health	Total	Total
	30.6.2010	30.6.2010	30.6.2010	30.6.2010	31.12.2009
in EUR '000					
Underwriting	933,525	149,285	3,110	1,085,920	946,191
Receivables from direct insurance business	828,737	146,684	3,069	978,490	831,304
to policyholders	654,392	130,775	3,069	788,236	657,391
to intermediaries	124,029	14,931	0	138,960	140,221
to insurance companies	50,316	978	0	51,294	33,692
Receivables from reinsurance business	104,788	2,601	41	107,430	114,887
Non-underwriting	226,298	400,213	17,957	644,468	617,258
Other receivables	226,298	400,213	17,957	644,468	617,258
Total	1,159,823	549,498	21,067	1,730,388	1,563,449

EARNINGS PER SHARE

	1.1.-30.6.2010		1.1.-30.6.2009	
	EUR '000		EUR '000	
Profit for the period	EUR '000	209,799	EUR '000	190,032
Net profit for the period after non-controlling interest	EUR '000	196,447	EUR '000	179,833
Number of shares	units	128,000,000	units	128,000,000
Earnings per share (annualised)	EUR	3.07	EUR	2.81

	1.4.-30.6.2010		1.4.-30.6.2009	
	EUR '000		EUR '000	
Profit for the period	EUR '000	100,536	EUR '000	91,013
Net profit for the period after non-controlling interest	EUR '000	95,229	EUR '000	85,081
Number of shares	units	128,000,000	units	128,000,000
Earnings per share (annualised)	EUR	2.98	EUR	2.66

UNDERWRITING PROVISIONS – GROSS

Composition	Property/ Casualty	Life	Health	Total	Total
	30.6.2010	30.6.2010	30.6.2010	30.6.2010	31.12.2009
in EUR '000					
Unearned premiums	1,213,862	156,674	3,944	1,374,480	1,120,066
Mathematical reserve	130	17,025,431	814,260	17,839,821	17,347,996
thereof for guaranteed policy benefits	130	15,505,045	814,260	16,319,435	15,814,949
thereof for allocated and committed profit shares	0	1,520,386	0	1,520,386	1,533,047
Provisions for outstanding claims	3,410,839	195,282	49,245	3,655,366	3,471,984
Provision for premium refunds	36,005	862,281	14,500	912,786	613,290
thereof dependent on profit	197	861,386	0	861,583	559,140
thereof not dependent on profit	35,808	895	14,500	51,203	54,150
Other underwriting provisions	25,949	4,307	599	30,855	24,921
Total	4,686,785	18,243,975	882,548	23,813,308	22,578,257

LIABILITIES

Composition	Property/ Casualty	Life	Health	Total	Total
	30.6.2010	30.6.2010	30.6.2010	30.6.2010	31.12.2009
in EUR '000					
Underwriting	452,416	238,344	12,987	703,747	867,092
Liabilities from direct business	315,204	121,419	11,556	448,179	670,284
to policyholders	182,546	80,773	11,556	274,875	504,572
to insurance brokers	116,445	39,216	0	155,661	144,024
to insurance companies	16,213	1,235	0	17,448	21,510
arising from financial insurance contracts	0	195	0	195	178
Liabilities from reinsurance business	113,210	7,830	97	121,137	87,579
Deposits from ceded reinsurance business	24,002	109,095	1,334	134,431	109,229
Non-underwriting	240,631	1,901,914	116,452	2,258,997	2,185,153
Liabilities to financial institutions	25,116	760,056	34,000	819,172	833,365
Other liabilities	215,515	1,141,858	82,452	1,439,825	1,351,788
Total	693,047	2,140,258	129,439	2,962,744	3,052,245

INFORMATION RELATING TO THE CONSOLIDATED INCOME STATEMENT

PREMIUMS WRITTEN

Property/Casualty insurance	Gross	Gross
	1.1.-30.6.2010	1.1.-30.6.2009
<i>in EUR '000</i>		
Direct business		
Fire and fire business interruption insurance	309,129	309,008
Household insurance	120,314	113,433
Other non-life insurance	214,149	222,401
Motor liability insurance	658,651	613,187
Other motor vehicle insurance	493,359	527,060
Casualty insurance	159,920	182,065
Liability insurance	192,067	180,575
Legal expenses insurance	25,964	25,335
Marine, aviation and transport insurance	39,182	38,333
Credit and guarantee insurance	10,483	9,715
Other insurance	125,175	96,212
Subtotal	2,348,393	2,317,324
Indirect business		
Marine, aviation and transport insurance	918	203
Other insurance	32,018	32,114
Subtotal	32,936	32,317
Total	2,381,329	2,349,641

Direct business life insurance	1.1.-30.6.2010	1.1.-30.6.2009
<i>in EUR '000</i>		
Regular premiums	1,120,185	1,080,168
Single premium policies	914,003	649,425
Total life direct gross written premiums	2,034,188	1,729,593
<i>thereof:</i>	<i>2,034,188</i>	<i>1,729,593</i>
Policies with profit participation	976,397	953,005
Policies without profit participation	159,179	177,639
Unit- and index-linked policies	898,612	598,949
<i>thereof:</i>	<i>2,034,188</i>	<i>1,729,593</i>
Individual insurance	1,922,118	1,632,261
Group insurance	112,070	97,332

FINANCIAL RESULT

Composition:	Property/Casualty		Life		Health		Total	
	Income	1.1.-30.6.10	1.1.-30.6.09	1.1.-30.6.10	1.1.-30.6.09	1.1.-30.6.10	1.1.-30.6.09	1.1.-30.6.10
<i>in EUR '000</i>								
Current income	93,135	79,923	556,765	562,215	22,370	18,531	672,270	660,669
Income from appreciation	7,513	4,864	45,797	31,818	648	2,965	53,958	39,647
Income from the disposal of investments	41,308	78,678	73,549	141,697	2,537	6,244	117,394	226,619
Total	141,956	163,465	676,111	735,730	25,555	27,740	843,622	926,935

Composition:	Property/Casualty		Life		Health		Total	
	Expenses	1.1.-30.6.10	1.1.-30.6.09	1.1.-30.6.10	1.1.-30.6.09	1.1.-30.6.10	1.1.-30.6.09	1.1.-30.6.10
<i>in EUR '000</i>								
Depreciation of investments	8,293	12,457	49,610	65,555	2,542	1,587	60,445	79,599
Impairment of investments	4,151	23,472	5,883	100,835	2,968	2,682	13,002	126,989
Exchange rate changes	-3,920	-4,903	-5,037	-1,621	10	-6	-8,947	-6,530
Loss from disposal of investments	4,800	26,816	19,132	114,631	745	13,704	24,677	155,151
Interest expenses	11,919	14,418	39,482	46,629	2,969	3,372	54,370	64,419
Other expenses	13,079	6,178	44,462	33,065	2,030	1,220	59,571	40,463
Total	38,322	78,438	153,532	359,094	11,264	22,559	203,118	460,091

EXPENSES FOR CLAIMS AND INSURANCE BENEFITS

Composition	Gross		Reinsurers' share		Retention	
	1.1.-30.6.2010	1.1.-30.6.2009	1.1.-30.6.2010	1.1.-30.6.2009	1.1.-30.6.2010	1.1.-30.6.2009
in EUR '000						
Property/Casualty insurance						
Expenses for claims and insurance benefits						
Payments for claims and insurance benefits	1,295,624	1,230,864	-177,100	-188,644	1,118,524	1,042,220
Changes in provision for outstanding claims	104,967	53,807	-26,707	15,318	78,260	69,125
Subtotal	1,400,591	1,284,671	-203,807	-173,326	1,196,784	1,111,345
Change in mathematical reserve	3	4	-1	0	2	4
Change in other underwriting provisions	5,302	2,094	-205	-1,081	5,097	1,013
Expenses for premium refunds not dependent on profit	12,576	18,320	455	-2,014	13,031	16,306
Total expenses	1,418,472	1,305,089	-203,558	-176,421	1,214,914	1,128,668
Life insurance						
Expenses for claims and insurance benefits						
Payments for claims and insurance benefits	1,207,599	1,277,350	-10,983	-12,313	1,196,616	1,265,037
Changes in provision for outstanding claims	23,198	15,836	-442	-1,264	22,756	14,572
Subtotal	1,230,797	1,293,186	-11,425	-13,577	1,219,372	1,279,609
Change in mathematical reserve	733,352	408,798	-3,440	-3,417	729,912	405,381
Change in other underwriting provisions	680	-189	-32	-24	648	-213
Expenses for premium refunds dependent on and not dependent on profit	109,003	12,383	0	0	109,003	12,383
Total expenses	2,073,832	1,714,178	-14,897	-17,018	2,058,935	1,697,160
Health insurance						
Expenses for claims and insurance benefits						
Payments for claims and insurance benefits	102,263	106,780	451	-140	102,714	106,640
Changes in provision for outstanding claims	4,272	564	3	-10	4,275	554
Subtotal	106,535	107,344	454	-150	106,989	107,194
Change in mathematical reserve	23,988	19,482	1,242	-51	25,230	19,431
Change in other underwriting provisions	0	0	0	0	0	0
Expenses for premium refunds not dependent on profit	10,486	10,447	0	0	10,486	10,447
Total expenses	141,009	137,273	1,696	-201	142,705	137,072
TOTAL	3,633,313	3,156,540	-216,759	-193,640	3,416,554	2,962,900

OPERATING EXPENSES

Composition	Property/ Casualty	Life	Health	Total
	1.1.-30.6.2010	1.1.-30.6.2010	1.1.-30.6.2010	1.1.-30.6.2010
in EUR '000				
Acquisition expenses	462,668	284,911	12,318	759,897
Subtotal	462,668	284,911	12,318	759,897
Administrative expenses	110,210	65,548	6,375	182,133
Pro rata personnel expenses	58,979	26,773	3,028	88,780
Pro rata material expenses	51,231	38,775	3,347	93,353
Subtotal	110,210	65,548	6,375	182,133
Received reinsurance commissions	-52,519	-3,624	-58	-56,201
Total	520,359	346,835	18,635	885,829

Composition	Property/ Casualty	Life	Health	Total
	1.1.-30.6.2009	1.1.-30.6.2009	1.1.-30.6.2009	1.1.-30.6.2009
in EUR '000				
Acquisition expenses	420,942	254,810	14,197	689,949
Subtotal	420,942	254,810	14,197	689,949
Administrative expenses	121,738	64,615	6,532	192,885
Pro rata personnel expenses	57,310	27,873	3,338	88,521
Pro rata material expenses	64,428	36,742	3,194	104,364
Subtotal	121,738	64,615	6,532	192,885
Received reinsurance commissions	-56,469	-2,635	-101	-59,205
Total	486,211	316,790	20,628	823,629

OTHER INFORMATION

Employee statistics	30.6.2010	31.12.2009
Austria	6,250	6,368
Field staff	2,871	2,965
Office employees	3,379	3,403
Outside Austria	17,285	18,018
Field staff	9,649	10,101
Office employees	7,636	7,917
Total	23,535	24,386

DECLARATION BY THE MANAGING BOARD

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

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

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 Höfinger
Member of the Managing Board

Vienna, 9 August 2010

Areas of responsibility of the Managing Board:

Günter Geyer: management of the Group, strategic planning, public relations, marketing, legal matters, human resources; country responsibilities: Austria (incl. branch offices in Italy and Slovenia), Slovakia

Peter Hagen: sponsoring, cost structure of the Group, Group IT/Back Office, SAP Smile Solutions, VIG Re, project internal capital model (Solvency II project)

Martin Simhandl: asset management, asset-risk management, subsidiary and loans management, finance and accounting; country responsibilities: Germany, Liechtenstein, Croatia

Martin Diviš: profitability steering motor vehicle insurance; country responsibilities: Czech Republic, Ukraine, Belarus

Franz Fuchs: profitability steering personal insurance; country responsibilities: Baltic States, Bulgaria, Poland, Romania

Peter Höfinger: corporate and large risk business, Vienna International Underwriters (VIU), reinsurance; country responsibilities: Hungary, Serbia

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

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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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