HALF-YEAR FINANCIAL REPORT 2012 / UNIQA GROUP

Hands on.

UNIQA

Group Key Figures

Figures in € million	1–6/2012	1–6/2011	Change
Premiums written	**2,528.8**	**2,635.1**	**–4.0%**
Savings portion from unit- and index-linked life insurance	327.6	290.8	+12.7%
Premiums written including the savings portion from unit- and index-linked life insurance	**2,856.4**	**2,925.9**	**–2.4%**
of which property and casualty insurance	1,352.5	1,305.7	+3.6%
of which health insurance	456.8	440.3	+3.7%
of which life insurance	1,047.1	1,179.9	–11.3%
of which recurring premiums	773.7	816.2	–5.2%
of which single-premium business	273.4	363.7	–24.8%
Premiums written including the savings portion from unit- and index-linked life insurance	**2,856.4**	**2,925.9**	**–2.4%**
of which Austria	1,896.6	1,934.6	–2.0%
of which Central Europe[1]	444.8	465.5	–4.5%
of which Eastern Europe[1]	82.8	73.7	+12.2%
of which Southeastern Europe[1]	94.9	89.1	+6.6%
of which Russia	19.9	13.1	+52.1%
of which Western Europe[1]	317.4	349.9	–9.3%
Premiums earned (retained)	**2,277.9**	**2,420.7**	**–5.9%**
of which property and casualty insurance	1,152.6	1,130.3	+2.0%
of which health insurance	450.9	434.6	+3.8%
of which life insurance	674.4	855.8	–21.2%
Insurance benefits[2]	**–1,897.3**	**–1,909.1**	**–0.6%**
of which property and casualty insurance	–777.6	–753.7	+3.2%
of which health insurance	–387.0	–372.0	+4.0%
of which life insurance[3]	–732.7	–783.5	–6.5%
Operating expenses[4]	**–619.6**	**–656.0**	**–5.6%**
of which property and casualty insurance	–383.0	–375.0	+2.1%
of which health insurance	–65.1	–69.1	–5.8%
of which life insurance	–171.5	–211.9	–19.1%
Net investment income	**403.4**	**265.8**	**+51.8%**
Profit/loss on ordinary activities	**106.5**	**74.4**	**+43.2%**
Net profit/loss	82.9	52.6	+57.5%
Consolidated profit/loss	**57.3**	**34.3**	**+67.1%**
Investments[5]	**24,851.3**	**25,018.0**	**–0.7%**
Shareholders' equity	1,026.2	1,262.1	–18.7%
Total equity including minority interests	**1,251.8**	**1,506.2**	**–16.9%**
Insured sum in life insurance	**73,154.4**	**72,226.1**	**+1.3%**

[1] Central Europe: the Czech Republic, Hungary, Poland, Slovakia. Eastern Europe: Romania, the Ukraine. South Eastern Europe: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Macedonia, Montenegro, Serbia. Western Europe: Italy, Liechtenstein, Switzerland.
[2] Including expenditure for deferred profit participation and premium refunds.
[3] Including expenditure for (deferred) profit participation.
[4] Including reinsurance commissions and profit shares from reinsurance business ceded.
[5] Including self-used land and buildings, land and buildings held as financial investments, shares in associated companies, investments held on account and at risk of life insurance policyholders and liquid funds.

Foreword by the Management Board

Dear shareholders, ladies and gentlemen,

In the 2nd quarter of 2012, the UNIQA Group pressed ahead with the strong earnings development it enjoyed in the 1st quarter, with the earnings before tax (EBT) for the first six months of the year increasing by 43 per cent year-on-year to €106.5 million.

We can boast solid core operating business in Austria and our international markets alike and we have significantly improved our risk position with a particular view to our PIIGS exposure. Moreover, step by step, we are systematically implementing the UNIQA 2.0 strategic programme that we presented in May 2011. UNIQA 2.0 is a long-term strategic repositioning with a 10-year term and a clear focus on growth: We intend to double our number of customers from 7.5 million in 2010 to 15 million by 2020 and increase our EBT compared to 2010 by up to €400 million by 2015.

In order to meet these objectives, we have established four key programmes: improving profitability in Austria, intensifying our partnership with the Raiffeisen banks, generating significant growth in Central and Eastern Europe (CEE) with a focus on profitability and long-term value, and implementing value-oriented company controlling in the area of risk management. These projects are progressing well.

We are focusing on our core insurance business in our core markets. In line with this approach, we completed the sale of the Mannheimer Group in Germany in the 2nd quarter of 2012 as announced, and acquired the minority interests held by the European Bank for Reconstruction and Development (EBRD) in three subsidiaries in CEE.

We need capital to finance our planned growth. Accordingly, we intend to conduct a Re-IPO in 2013 subject to the conditions on the capital markets. The preparations for this transaction are in full swing: We will streamline our Group structure by October 2012, thereby making it more stock exchange-friendly. We also completed a cash capital increase in the amount of €500 million in July. This was an intermediate step on the way to the Re-IPO that has strengthened our capital structure and enables us to leverage growth opportunities in CEE at short notice.

In spite of the difficult economic environment, we are well on the way to achieving our earnings target of EBT that is higher than the level recorded in 2010 (€141.8 million). To this end, we must press ahead with our efforts, as the economic conditions in Europe are unlikely to provide any tailwind in the 2nd half of the year.

Vienna, August 2012

Andreas Brandstetter
Chairman of the Management Board

Group Management Report

- **EBT UP 43.2 PER CENT TO € 106.5 MILLION**
- **CONSOLIDATED PROFIT INCREASED BY 67.1 PER CENT TO € 57.3 MILLION**
- **RECURRING PREMIUMS UP 0.8 PER CENT TO € 2,583.0 MILLION**

Economic environment

In recent months, hopes of an imminent recovery of the European economy have been disappointed. Midway through the year, the European sovereign debt crisis further intensified as a result of the Greek parliamentary elections and the problems in the Spanish banking sector in particular. After gross domestic product (GDP) in the euro zone as a whole stagnated in the 1st quarter of 2012, the 2nd quarter also saw a decline of 0.2 per cent. The purchasing managers' indices have now fallen below the lows recorded in the 2nd half of 2011, suggesting that GDP will decline further in the 3rd quarter of 2012. After enjoying relatively strong expansion of 0.5 per cent in the first three months of the year, growth in the German economy slowed to 0.3 per cent in the 2nd quarter. Austria saw GDP growth of 0.2 per cent in the 2nd quarter. Meanwhile, the peripheral European nations are in a recession. GDP in Italy contracted by 0.8 per cent and 0.7 per cent in the first two quarters respectively, by 0.3 per cent and 0.4 per cent in Spain and by 0.1 per cent and 1.2 per cent in Portugal. The weak economic outlook for Spain made it apparent that the risk provisions recognised by Spanish banks for future write-downs in their credit portfolios would not be sufficient. Following the bailout packages for Ireland, Portugal and Greece, the European emergency facility is now set to provide capital for the Spanish banking sector. In early July, the Spanish government made a formal application for support in the amount of € 100 billion.

In the USA, economic growth amounted to 2 per cent in the 1st quarter and 1.5 per cent in the 2nd quarter (annualised). Some leading indicators suggest that a further slowdown may be on the way; generally speaking, however, growth forecasts have yet to be revised and moderate growth is still expected for 2012 as a whole.

Inflation fell during the period under review. The figures for June were 2.4 per cent in the euro zone and 1.7 per cent in the USA. In the majority of emerging economies inflation also declined in the 1st half of the year. Some central banks implemented expansionary monetary policy measures midway through the year. In July, the European Central Bank (ECB) reduced the base rate by 25 basis points to 0.75 per cent. The Bank of England announced further bond purchases, while the US Fed continued its programme of buying long-term bonds.

The unemployment rate in the euro zone increased to 11.2 per cent in June. The member states particularly affected by high unemployment are Spain (24.8 per cent), Greece (22.5 per cent), Portugal (15.4 per cent) and Ireland (14.8 per cent).

Growth in Central and Eastern Europe (CEE) slowed in the 1st half of 2012. The highly export-driven economies of Hungary and the Czech Republic reported relatively severe declines in economic activity of minus 1.3 per cent and minus 0.8 per cent in the 1st quarter. The decline in the 2nd quarter was minus 0.2 per cent in both cases. Many CEE countries are still achieving economic growth: Poland has so far proved the most resistant to the recession in the euro area with real growth of 0.8 per cent. Romania and Bulgaria surprised observers in the 2nd quarter of 2012 with relatively solid growth (0.5 per cent and 0.2 per cent respectively). In spite of the muted growth prospects due to the euro crisis, the CEE region as a whole is expected to post a moderate rise in GDP for the year.

Financial accounting principles, scope of consolidation

The quarterly financial statements of the UNIQA Group are prepared in accordance with the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS). This interim report has been prepared in accordance with IAS 34. The scope of fully consolidated companies was not extended in the 1st half of 2012.

On 20 June 2012, UNIQA entered into an agreement with the European Bank for Reconstruction and Development (EBRD) on the acquisition of the shares held by EBRD in the subsidiaries in Croatia (20 per cent), Poland (30 per cent) and Hungary (15 per cent). The acquisition of these minority interests is already legally effective.

On 16 April 2012, the UNIQA Group entered into agreements to sell Mannheimer AG Holding including its subsidiaries and the associated real estate holdings. These transactions were conducted in the 2nd quarter of 2012 and related to 91.68 per cent of the shares of Mannheimer AG Holding, its subsidiaries Mannheimer Versicherung AG, Mannheimer Krankenversicherung AG and mamax Lebensversicherung AG, and the real estate companies MV Augustaanlage Verwaltungs-GmbH and MV Augustaanlage GmbH & Co. KG.

Premium development

The premiums written by the UNIQA Group including the savings portion of unit- and index-linked life insurance (excluding the Mannheimer Group in Germany, which is no longer included in these figures in accordance with IFRS 5) fell by 2.4 per cent to €2,856.4 million in the first six months of 2012 as a result of the substantial decline in single premiums in the life insurance business (1–6/2011: €2,925.9 million). In contrast, recurring premiums increased slightly by 0.8 per cent to €2,583.0 million (1–6/2011: €2,562.2 million). However, single premiums in the life insurance business fell by 24.8 per cent to €273.4 million (1–6/2011: €363.7 million) due to declining industry-wide development (especially in Hungary and Italy). In Poland, the UNIQA Group actively reduced its single premiums, instead focusing on more profitable business lines that also require the commitment of lower levels of risk capital.

In the 1st half of 2012, premiums earned including the net savings portion of the premiums from unit- and index-linked life insurance (which amounted to €312.1 million after €270.9 million in the same period of the previous year) declined by 3.8 per cent to €2,590.0 million (1–6/2011: €2,691.7 million). Retained premiums earned (in accordance with IFRS) fell by 5.9 per cent to €2,277.9 million (1–6/2011: €2,420.7 million).

In Austria, premiums written fell by 2.0 per cent to €1,896.6 million as a result of the lower premium volume in unit-linked life insurance (1 – 6/2011: €1,934.6 million). Recurring premiums on the Austrian market declined by 1.9 per cent to €1,838.4 million in the first six months of 2012 (1 – 6/2011: €1,873.1 million). Single premiums decreased by 5.2 per cent to €58.3 million (1 – 6/2011: €61.5 million) due to the extension of the minimum term with tax privileges that was implemented during 2011.

In Austria, retained premiums earned (in accordance with IFRS) declined by 1.6 per cent to €1,559.3 million (1 – 6/2011: €1,584.7 million).

In Central and Eastern Europe, premiums written including the savings portion of unit- and index-linked life insurance increased slightly by 0.2 per cent to €642.4 million in the first six months of 2012 (1 – 6/2011: €641.4 million). Recurring premiums increased by 6.6 per cent to €585.3 million (1 – 6/2011: €549.1 million), while single premiums fell sharply by 38.2 per cent to €57.1 million (1 – 6/2011: €92.4 million) due to the planned reduction in Poland. The companies in Central and Eastern Europe contributed a total of 20.5 per cent of Group premiums in the 1st half of 2012 (1 – 6/2011: 20.1 per cent).

The retained premiums earned (in accordance with IFRS) of the CEE companies declined by 3.1 per cent to €520.7 million (1 – 6/2011: €537.2 million).

In Western Europe (excluding the Mannheimer Group in Germany), the premium volume fell by 9.3 per cent to €317.4 million in the 1st half of 2012 as a result of the sharp decline in Italian life insurance business (1 – 6/2011: €349.9 million). Recurring premiums in this region saw strong growth of 13.8 per cent to €159.4 million (1 – 6/2011: €140.0 million). In contrast, single premiums decreased by 24.7 per cent to €158.0 million (1 – 6/2011: €209.9 million) due to the generally difficult economic situation in Italy and the associated customer uncertainty, as well as seasonal fluctuations. Accordingly, Western Europe accounted for 11.1 per cent of the UNIQA Group's total premiums (1 – 6/2011: 12.0 per cent). The share attributable to international business amounted to 33.6 per cent in the 1st half of 2012 (1 – 6/2011: 33.9 per cent).

The retained premiums earned (in accordance with IFRS) of the companies in Western Europe decreased by 33.8 per cent to €198.0 million (1 – 6/2011: €298.9 million).

Property and casualty insurance

In the 1st half of 2012, the premiums written in property and casualty insurance increased by 3.6 per cent to €1,352.5 million (1 – 6/2011: €1,305.7 million). While premiums written in Austria increased by 1.8 per cent to €811.6 million (1 – 6/2011: €797.3 million), the premium volume at the Group companies in CEE enjoyed substantially stronger growth of 4.2 per cent to €455.7 million (1 – 6/2011: €437.3 million). The Central and Eastern European region thus contributed 33.7 per cent (1 – 6/2011: 33.5 per cent) to total Group premiums in property and casualty insurance.

In Western Europe, premiums written increased by 20.0 per cent to €85.3 million as a result of the strong growth in Italy (1 – 6/2011: €71.1 million). The premium share in Western Europe thus amounted to 6.3 per cent after the 1st half of 2012 (1 – 6/2011: 5.4 per cent). In total, the share attributable to international business rose to 40.0 per cent (1 – 6/2011: 38.9 per cent).

Retained premiums earned (in accordance with IFRS) in property and casualty insurance increased by 2.0 per cent to €1,152.6 million in the first six months of 2012 (1 – 6/2011: €1,130.3 million).

Health insurance

The premiums written in health insurance increased by 3.7 per cent to € 456.8 million during the period under review (1–6/2011: € 440.3 million). The figure for Austria rose by 2.7 per cent to € 421.8 million (1–6/2011: € 410.6 million).

Internationally, premiums written increased by 17.6 per cent to € 35.0 million (1–6/2011: € 29.8 million), thus contributing 7.7 per cent (1–6/2011: 6.8 per cent) to the health insurance premiums of the Group. In CEE, the premium volume in health insurance amounted to € 13.0 million for the first six months of 2012, a year-on-year increase of 50.8 per cent (1–6/2011: € 8.6 million). In Western Europe, premiums written rose by 4.0 per cent to € 22.0 million (1–6/2011: € 21.2 million).

Retained premiums earned (in accordance with IFRS) in health insurance increased by 3.8 per cent to € 450.9 million in the 1st half of 2012 (1–6/2011: € 434.6 million).

Life insurance

In the life insurance segment, premiums written including the savings portion of unit- and index-linked life insurance decreased by 11.3 per cent to € 1,047.1 million in the 1st half of 2012 (1–6/2011: € 1,179.9 million). The main reason for this development was the pronounced decline in single premiums (particularly in Poland, Hungary and Italy) of 24.8 per cent to € 273.4 million (1–6/2011: € 363.7 million). Recurring premiums enjoyed stronger performance but also fell by 5.2 per cent to € 773.7 million (1–6/2011: € 816.2 million). In the 1st half of 2012, the annual premium equivalent (APE) decreased by 6.0 per cent to € 801.0 million (1–6/2011: € 852.5 million). As the average term of the single premiums in Europe is ten years, 10 per cent of the single premiums were included in the APE calculation, which serves to even out annual fluctuations. The risk premium share of unit- and index-linked life insurance included in the premiums amounted to € 42.1 million in the 1st half of 2012 (1–6/2011: € 66.9 million). The insured sum in life insurance as at 30 June 2012 came to a total of € 73,154.4 million (30 June 2011: € 72,226.1 million).

In Austria, premiums written in life insurance decreased by 8.7 per cent to € 663.3 million as a result of the lower level of demand and the termination of an agency relationship in Germany (1–6/2011: € 726.7 million). Recurring premiums fell by 9.1 per cent to € 605.0 million (1–6/2011: € 665.2 million). Single premiums declined by 5.2 per cent to € 58.3 million (1–6/2011: € 61.5 million). The premium volume written in unit- and index-linked life insurance in Austria amounted to € 239.2 million in the 1st half of 2012 (1–6/2011: € 289.9 million).

In CEE, the life insurance business also saw a downturn in premiums in the first six months of 2012. The premiums written by the UNIQA Group declined by 11.1 per cent to € 173.7 million (1–6/2011: € 195.5 million); this was due in particular to the planned reduction in single premium business in Poland. Single premiums fell by 38.2 per cent to € 57.1 million (1–6/2011: € 92.4 million). However, recurring premiums again enjoyed extremely strong growth, rising by 13.1 per cent to € 116.7 million (1–6/2011: € 103.2 million). The share of the Group's total life insurance premiums attributable to Central and Eastern Europe remained stable at 16.6 per cent after the first six months of the year (1–6/2011: 16.6 per cent).

The Western European markets also saw a downturn in the life insurance business in the 1st half of 2012. All in all, premiums written fell by 18.5 per cent to €210.0 million as a result of the decline in single premiums in Italy (1–6/2011: €257.6 million). Single premiums decreased by 24.7 per cent to €158.0 million in total (1–6/2011: €209.9 million). However, recurring premiums developed extremely positively in Western Europe due to the encouraging performance in Italy, enjoying growth of 8.9 per cent to €52.0 million (1–6/2011: €47.8 million). The share of the Group's life insurance premiums attributable to Western Europe amounted to 20.1 per cent (1–6/2011: 21.8 per cent), international business thus accounting for a total of 36.7 per cent (1–6/2011: 38.4 per cent).

In the first six months of 2012, premiums in unit- and index-linked life insurance in the international region increased by 92.3 per cent to €130.4 million (1–6/2011: €67.8 million).

Including the net savings portion of the premiums from unit- and index-linked life insurance, premiums earned in life insurance declined by 12.4 per cent to €986.5 million in the first six months of 2012 (1–6/2011: €1,126.7 million). Retained premiums earned (in accordance with IFRS) fell by 21.2 per cent to €674.4 million (1–6/2011: €855.8 million).

Insurance claims and benefits

Despite an increase in the number of major claims and claims due to natural disasters, the total amount of retained insurance benefits of the UNIQA Group declined by 0.6 per cent to €1,897.3 million in the 1st half of 2012 (1–6/2011: €1,909.1 million). Insurance benefits before reinsurance fell slightly to €1,961.9 million (1–6/2011: €1,962.5 million). Due to the decline in single premiums in life insurance, the benefit and loss ratio across all business lines increased by 2.4 percentage points to 73.3 per cent (1–6/2011: 70.9 per cent).

Property and casualty insurance

The loss ratio after reinsurance in property and casualty insurance increased slightly in the first six months of 2012 to 67.5 per cent (1–6/2011: 66.7 per cent). Net insurance claims after reinsurance rose by 3.2 per cent to €777.6 million in the period under review (1–6/2011: €753.7 million). Gross claims before reinsurance increased by 4.7 per cent to €805.3 million (1–6/2011: €769.1 million).

The net combined ratio after reinsurance increased slightly in the 1st half of 2012 to 100.7 per cent (1–6/2011: 99.9 per cent). Before taking reinsurance into consideration, the gross combined ratio was still below the 100 per cent mark, amounting to 97.5 per cent (1–6/2011: 96.9 per cent).

Health insurance

Retained insurance benefits (including the change in actuarial provisions) in health insurance increased by 4.0 per cent to €387.0 million in the first six months of 2012 (1–6/2011: €372.0 million). Accordingly, the loss ratio rose slightly to 85.8 per cent (1–6/2011: 85.6 per cent).

Life insurance

In life insurance, retained insurance benefits (including the change in actuarial provisions) declined by 6.5 per cent to €732.7 million in the 1st half of 2012 due to the further reduction in payments for claims incurred (1–6/2011: €783.5 million). However, the loss ratio in life insurance (including the net savings portion of the premiums from unit- and index-linked life insurance) increased to 74.3 per cent as a result of the lower level of single premiums (1–6/2011: 69.5 per cent).

Operating expenses

Total operating expenses for the insurance business less reinsurance commissions received fell by 5.6 per cent to €619.6 million in the first six months of 2012 (1–6/2011: €656.0 million). Reflecting the new business volume, acquisition expenses rose by 0.1 per cent to €447.8 million (1–6/2011: €447.3 million). Other operating expenses (administration costs) less reinsurance commissions received in the amount of €21.1 million (1–6/2011: €11.8 million) declined by 17.7 per cent to €171.8 million in the 1st half of 2012 (1–6/2011: €208.7 million). The cost ratio – the relationship of all operating expenses to premiums earned including the net savings portion of the premiums from unit- and index-linked life insurance – less reinsurance commissions received fell to 23.9 per cent (1–6/2011: 24.4 per cent).

Property and casualty insurance

Total operating expenses in property and casualty insurance increased by 2.1 per cent to €383.0 million in the period under review (1–6/2011: €375.0 million). Reflecting the new business volume, acquisition expenses rose by 9.5 per cent to €267.5 million (1–6/2011: €244.2 million). By contrast, other operating expenses declined by 11.7 per cent to €115.5 million (1–6/2011: €130.8 million). The cost ratio in property and casualty insurance (including reinsurance commissions received) amounted to 33.2 per cent in the first six months of 2012 (1–6/2011: 33.2 per cent).

Health insurance

Total operating expenses in health insurance decreased by 5.8 per cent to €65.1 million in the 1st half of 2012 (1–6/2011: €69.1 million). Reflecting the new business volume, acquisition expenses rose by 8.9 per cent to €41.3 million (1–6/2011: €37.9 million). By contrast, other operating expenses (including reinsurance commissions received) declined by 23.6 per cent to €23.8 million (1–6/2011: €31.2 million). Accordingly, the cost ratio in health insurance (including reinsurance commissions received) fell to 14.4 per cent (1–6/2011: 15.9 per cent).

Life insurance

In life insurance, total operating expenses declined by 19.1 per cent to € 171.5 million in the first six months of 2012 (1 – 6/2011: € 211.9 million). Acquisition costs fell by 15.8 per cent to € 139.0 million (1 – 6/2011: € 165.2 million), while other operating expenses decreased by 30.5 per cent to € 32.5 million (1 – 6/2011: € 46.7 million). Despite the decline in single premiums, the reduction in operating costs meant that the cost ratio in life insurance (including reinsurance commissions received) fell to 17.4 per cent in the 1st half of 2012 (1 – 6/2011: 18.8 per cent).

Investments

The investment portfolio of the UNIQA Group (including self-used land and buildings, land and buildings held as financial investments, shares in associated companies, investments held on account and at risk of life insurance policyholders and liquid funds) increased by € 250.2 million compared with the last balance sheet date and totalled € 24,851.3 million as at 30 June 2012 (31 December 2011: € 24,601.1 million).

Net investment income increased by 51.8 per cent to € 403.4 million in the 1st half of 2012 (1 – 6/2011: € 265.8 million). The investment result in property and casualty insurance increased by 66.0 per cent to € 35.0 million (1 – 6/2011: € 21.1 million). The figure for health insurance rose by 160.9 per cent to € 51.3 million (1 – 6/2011: € 19.7 million), while the investment result in life insurance increased by 40.9 per cent to € 317.1 million (1 – 6/2011: € 225.0 million).

Earnings before taxes improve to € 106.5 million in 1st half of 2012

The UNIQA Group's profit on ordinary activities (before result from discontinued operations) increased by 43.2 per cent to € 106.5 million in the 1st half of 2012 (1 – 6/2011: € 74.4 million). In property and casualty insurance, earnings before taxes declined slightly to € 3.1 million in the first six months of 2012 (1 – 6/2011: € 3.5 million). The profit on ordinary activities in health insurance increased threefold compared with the 1st half of the previous year to total € 51.1 million (1 – 6/2011: € 12.9 million). In life insurance, earnings before taxes were down slightly on the previous year at € 52.0 million (1 – 6/2011: € 58.1 million).

Net profit for the 1st half of 2012 amounted to € 82.9 million, up 57.5 per cent on the same period of the previous year (1 – 6/2011: € 52.6 million). This figure includes the result from discontinued operations due to the disposal of the Mannheimer Group in the amount of € 8.9 million. Consolidated profit also increased by 67.1 per cent to € 57.3 million (1 – 6/2011: € 34.3 million). Earnings per share amounted to € 0.40 (1 – 6/2011: € 0.24).

International markets

In the Group's international business (excluding the Mannheimer Group in Germany), the premiums written including the savings portion of unit- and index-linked life insurance declined by 3.2 per cent to € 959.8 million in the 1st half of 2012 (1 – 6/2011: € 991.3 million). Recurring premiums again enjoyed extremely strong growth internationally, rising by 8.1 per cent to € 744.6 million (1 – 6/2011: € 689.1 million). By contrast, single premiums fell by 28.8 per cent to € 215.1 million (1 – 6/2011: € 302.2 million).

The premiums written by the companies in CEE increased slightly by 0.2 per cent to €642.4 million (1–6/2011: €641.4 million). In Central Europe (CE) – the Czech Republic, Hungary, Poland and Slovakia – the volume of premiums written declined by 4.5 per cent to €444.8 million in the first six months of the year (1–6/2011: €465.5 million). By contrast, the premium volume written in Eastern Europe (EE) – comprising Romania and Ukraine – increased by 12.2 per cent to €82.8 million (1–6/2011: €73.7 million). In South Eastern Europe (SEE) – Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Macedonia, Montenegro and Serbia – premium growth of 6.6 per cent to €94.9 million was generated in the 1st half of 2012 (1–6/2011: €89.1 million). In Russia (RU), premiums written increased by 52.1 per cent to €19.9 million (1–6/2011: €13.1 million). Accordingly, Central and Eastern Europe accounted for 22.5 per cent of Group premiums after the first six months of 2012 (1–6/2011: 21.9 per cent).

In Western Europe (WE) – Italy, Liechtenstein and Switzerland – premiums written fell by 9.3 per cent to €317.4 million (1–6/2011: €349.9 million) due to the decline in the life insurance business in Italy. Western Europe accounted for 11.1 per cent of Group premiums (1–6/2011: 12.0 per cent). Accordingly, the overall share attributable to the UNIQA Group's international business in the 1st half of 2012 was 33.6 per cent (1–6/2011: 33.9 per cent).

The total retained insurance benefits of the international Group companies decreased by 23.0 per cent to €506.8 million in the first six months of 2012 (1–6/2011: €657.9 million). In the CE region, insurance benefits fell by 8.9 per cent to €220.9 million (1–6/2011: €242.6 million), while the figure for the EE region declined by 24.2 per cent to €44.3 million (1–6/2011: €58.5 million). In SEE, insurance benefits decreased slightly by 3.7 per cent to €49.3 million (1–6/2011: €51.2 million). In Russia, benefits amounted to €11.3 million in the 1st half of 2012 (1–6/2011: €7.3 million). In Western Europe, the volume of insurance benefits declined by 39.3 per cent to €180.9 million (1–6/2011: €298.2 million).

In the Group's international business, operating expenses less reinsurance commissions received increased by 9.9 per cent to €254.7 million (1–6/2011: €231.7 million). In CE, costs rose by 3.9 per cent to €121.1 million (1–6/2011: €116.6 million), while the figure for Eastern Europe was up 19.1 per cent year-on-year at €36.7 million (1–6/2011: €30.8 million). In South Eastern Europe, operating expenses climbed by 9.8 per cent to €39.9 million (1–6/2011: €36.3 million). In Russia, costs amounted to €9.0 million in the first six months of 2012 (1–6/2011: €6.7 million), while the figure for Western Europe increased by 16.3 per cent to €48.0 million (1–6/2011: €41.3 million).

Net investment income generated by the international companies increased by 52.3 per cent to €71.6 million in the 1st half of 2012 (1–6/2011: €47.0 million). The investment result in Western Europe improved by 61.1 per cent to €38.2 million (1–6/2011: €23.7 million), while the investment result in CEE rose by 43.4 per cent to €33.4 million (1–6/2011: €23.3 million).

The profit/loss on ordinary activities in CEE (before consolidation on the basis of geographical segments) improved to €7.1 million (1–6/2011: minus €5.6 million). In Western Europe, earnings before taxes increased slightly by 0.8 per cent to €17.9 million in the 1st half of 2012 (1–6/2011: €17.8 million).

Equity and total assets

In the first six months of 2012, the total equity of the UNIQA Group increased by 14.3 per cent to €1,251.8 million compared with the last balance sheet date (31 December 2011: €1,095.6 million). This figure includes minority interests of €225.6 million (31 December 2011: €219.7 million). The Group's total assets amounted to €28,735.3 million as of 30 June 2012 (31 December 2011: €28,567.7 million).

Cash flow

Cash flow from operating activities increased to €824.4 million in the 1st half of 2012 (1–6/2011: €429.0 million). Reflecting the investment of incoming revenue during the period under review, cash flow from the investing activities of the UNIQA Group amounted to minus €604.6 million (1–6/2011: minus €394.4 million). Cash flow from financing activities amounted to minus €2.3 million (1–6/2011: minus €58.6 million). All in all, liquid funds increased by €374.6 million to €887.3 million (1–6/2011: €512.8 million).

Employees

The average number of employees at the UNIQA Group declined as a result of the sale of the Mannheimer Group in the 1st half of 2012 to 14,523 (1–6/2011: 14,988). Of this figure, 6,103 (1–6/2011: 6,037) were employed in sales, while the number of employees in administrative functions declined to 8,420 (1–6/2011: 8,951).

Capital marktets

Key figures UNIQA shares Figures in €	1–6/2012	1–6/2011	Change
Share price as at 30 June	10.70	14.88	–28.1 %
High	13.40	16.50	–
Low	9.22	14.53	–
Market capitalisation as at 30 June (in € million)	1,529.9	2,127.6	–28.1 %
Earnings per share	0.40	0.24	+67.1 %

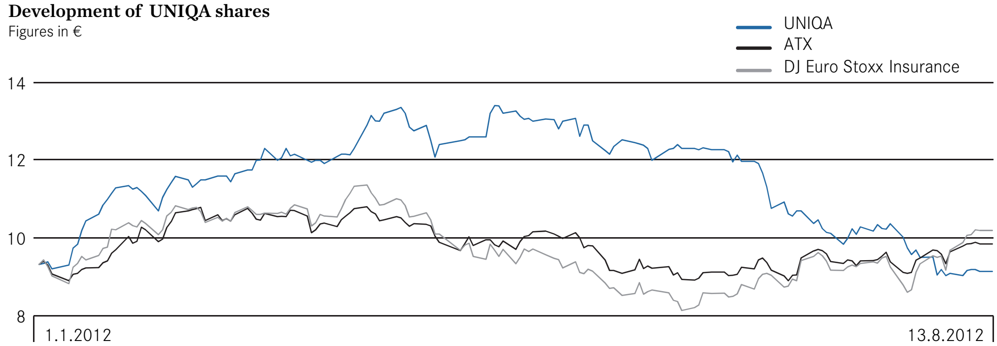
Financial calendar

28 November 2012
1st to 3rd Quarter Report 2012

The international stock markets saw significant price gains on the last trading day of the 1st half of the year, with the DJ Euro Stoxx 50 index rising by almost 5 per cent. This was in response to the agreements reached at the meeting of the European Council and served to confirm the fact that share price performance over recent months has been primarily driven by political developments. Following an overall good 1st quarter of 2012, the debt crisis in some European countries led to growing concerns on the markets and significant price corrections in April and May. A positive counter reaction did not take place until June, after the new elections in Greece had established a political majority in favour of extensive savings measures and the European Union had confirmed its capacity for action despite the change of government in France. However, this development was not pronounced enough to return prices to the levels seen at the end of the 1st quarter. The markets largely ignored the satisfactory income performance of companies on the whole and the slight improvement in the economic outlook.

UNIQA's share price came under pressure in the 2nd quarter but enjoyed positive performance in the 1st half of the year as a whole. The closing price of €10.70 on 30 June 2012 represents growth of 13.6 per cent compared with year-end 2011. However, the share price declined after the end of the period under review, falling to €9.15 on 13 August – a reduction of 2.9 per cent as against the end of December 2011. The European insurance index DJ Euro Stoxx Insurance increased by 12.8 per cent in the same period.

Development of UNIQA shares
Figures in €



Information UNIQA shares

Securities abbreviation: *UQA*
Reuters: *UNIQ.VI*
Bloomberg: *UQA.AV*
ISIN: *AT0000821103*
Market segment: *prime market, Vienna Stock Exchange*
Trading segment: *Official market*
Indices: *ATX Prime, ATX FIN, WBI, VÖNIX*
Number of shares: *190,604,265*

Significant events subsequent to the balance sheet date

In July, the UNIQA Group successfully completed a cash capital increase and placed all 47,619,048 of the new shares offered. The subscription price was €10.50 per share. As a result, the share capital of UNIQA Versicherungen AG increased to €190,604,265.00.

UNIQA Versicherungen AG's core shareholders, Raiffeisen Zentralbank Österreich Aktiengesellschaft and its Group companies (RZB Group) and Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH, ensured that it was possible to place all of the new shares by exercising their own subscription rights and taking up unexercised subscription rights.

The proceeds from the cash capital increase will be used to strengthen UNIQA's capital base and solvency and, together with the planned improvements from the implementation of the UNIQA 2.0 strategic programme and the cash inflow from the Re-IPO that is set to take place in 2013 (subject to the market environment), will provide the foundations for leveraging the sustainable growth opportunities that are available in the CEE region in particular.

Outlook

We remain confident that we will improve our profit on ordinary activities in 2012 compared with 2010 (€141.8 million). However, this assumes that there will be no major setbacks on the capital markets and no further serious deterioration in the economic environment, and that claims due to natural disasters will remain within a normal range in the 2nd half of the year.

Consolidated Balance Sheet

Assets Figures in € million	30.6.2012	31.12.2011
A. Tangible assets		
I. Self-used land and buildings	200.4	252.3
II. Other tangible assets	135.9	131.3
	336.3	**383.5**
B. Land and buildings held as financial investments	**1,568.5**	**1,567.0**
C. Intangible assets		
I. Deferred acquisition costs	887.7	899.7
II. Goodwill	538.8	570.0
III. Other intangible assets	24.1	30.6
	1,450.6	**1,500.3**
D. Shares in associated companies	**520.0**	**530.5**
E. Investments		
I. Variable-yield securities		
1. Available for sale	1,408.2	1,636.1
2. At fair value through profit or loss	490.4	549.3
	1,898.6	**2,185.4**
II. Fixed interest securities		
1. Available for sale	11,768.7	11,215.4
2. At fair value through profit or loss	415.5	389.6
	12,184.2	**11,605.1**
III. Loans and other investments		
1. Loans	1,172.2	2,189.4
2. Cash at credit institutions/cash at banks	1,554.5	1,023.1
3. Deposits with ceding companies	129.8	140.7
	2,856.5	**3,353.2**
IV. Derivative financial instruments	55.7	28.5
	16,995.0	**17,172.2**
F. Investments held on account and at risk of life insurance policyholders	**4,680.0**	**4,396.0**
G. Share of reinsurance in technical provisions	**635.6**	**684.1**
H. Share of reinsurance in technical provisions held on account and at risk of life insurance policyholders	**404.4**	**405.5**
I. Receivables including receivables under insurance business	**993.8**	**988.0**
J. Receivables from income tax	**73.6**	**51.2**
K. Deferred tax assets	**190.2**	**206.2**
L. Liquid funds	**887.3**	**683.1**
Total assets	**28,735.3**	**28,567.7**

Equity and liabilities Figures in € million	30.6.2012	31.12.2011
A. Total equity		
I. Shareholders' equity		
1. Subscribed capital and capital reserves	540.7	540.7
2. Revenue reserves	382.6	414.4
3. Revaluation reserves	112.3	– 44.7
4. Actuarial gains and losses on defined benefit plans	– 68.4	– 36.1
5. Group total profit/loss	59.0	1.6
	1,026.2	**875.9**
II. Minority interests in shareholders' equity	225.6	219.7
	1,251.8	**1,095.6**
B. Subordinated liabilities	**575.0**	**575.0**
C. Technical provisions		
I. Provision for unearned premiums	725.0	616.0
II. Actuarial provision	16,123.0	16,706.2
III. Provision for outstanding claims	2,298.5	2,456.5
IV. Provision for profit-unrelated premium refunds	30.7	51.5
V. Provision for profit-related premium refunds, i.e. policyholder profit sharing	276.4	7.8
VI. Other technical provisions	50.8	50.0
	19,504.3	**19,888.1**
D. Technical provisions held on account and at risk of life insurance policyholders	**4,618.9**	**4,318.3**
E. Financial liabilities	**76.7**	**73.7**
F. Other provisions	**823.2**	**788.1**
G. Payables and other liabilities	**1,527.9**	**1,517.9**
H. Liabilities from income tax	**17.8**	**19.2**
I. Deferred tax liabilities	**339.7**	**291.7**
Total equity and liabilities	**28,735.3**	**28,567.7**

Development of Group Equity

	Shareholders' equity		Minority interests		Total equity	
Figures in € million	1–6/2012	1–6/2011	1–6/2012	1–6/2011	1–6/2012	1–6/2011
As at 1.1.	**875.9**	**1,277.2**	**219.7**	**244.3**	**1,095.6**	**1,521.5**
Change in consolidation scope	–50.3	0.0	–33.2	–0.5	–83.6	–0.5
Dividends	0.0	–56.9	–0.9	–14.5	–0.9	–71.4
Own shares	0.0	0.0	0.0	0.0	0.0	0.0
Income and expenses according to the consolidated comprehensive income statement	**200.6**	**41.8**	**40.0**	**14.8**	**240.7**	**56.6**
Foreign currency translation	9.5	3.9	0.0	0.0	9.5	3.9
Net profit/loss	57.3	34.3	25.5	18.3	82.9	52.6
Unrealised capital gains and losses from investments and other changes	133.8	3.6	14.5	–3.6	148.3	0.1
As at 30.6.	**1,026.2**	**1,262.1**	**225.6**	**244.1**	**1,251.8**	**1,506.2**

Consolidated Income Statement

Figures in € million	1–6/2012	1–6/2011	4–6/2012	4–6/2011
Gross premiums written	2,528.8	2,635.1	1,148.5	1,157.6
Premiums earned (retained)	2,277.9	2,420.7	1,123.1	1,148.5
Income from fees and commissions	21.1	11.8	9.1	4.7
Net investment income	403.4	265.8	203.6	99.5
Other income	27.8	34.4	11.7	18.1
Total income	**2,730.3**	**2,732.7**	**1,347.5**	**1,270.9**
Insurance benefits (net)	– 1,897.3	– 1,909.1	– 948.8	– 886.7
Operating expenses	– 640.7	– 667.8	– 308.1	– 331.2
Other expenses	– 64.2	– 61.3	– 32.9	– 12.7
Amortisation of goodwill	– 5.9	– 4.1	– 2.8	– 2.1
Total expenses	**– 2,608.1**	**– 2,642.4**	**– 1,292.5**	**– 1,232.7**
Operating profit/loss	122.1	90.3	55.0	38.2
Financing costs	– 15.6	– 15.9	– 7.8	– 7.9
Profit/loss on ordinary activities	**106.5**	**74.4**	**47.2**	**30.3**
Income taxes	– 32.5	– 19.1	– 17.0	– 7.2
Result from discontinued operations (after taxes)	8.9	– 2.7	12.2	– 4.2
Net profit/loss	**82.9**	**52.6**	**42.4**	**18.9**
of which consolidated profit/loss	57.3	34.3	26.9	7.6
of which minority interests	25.5	18.3	15.5	11.3
Earnings per share (in €)	**0.40**	**0.24**	**0.19**	**0.05**
Average number of shares in circulation	**142,165,567**	**142,165,567**	**142,165,567**	**142,165,567**

The diluted earnings per share are equal to the undiluted earnings per share. Calculated on the basis of the consolidated profit/loss.

Consolidated Comprehensive Income Statement

Figures in € million	1–6/2012	1–6/2011
Net profit/loss	**82.9**	**52.6**
Foreign currency translation		
Gains (losses) recognised in equity	9.5	3.9
Included in the income statement	0.0	0.0
Unrealised gains and losses on investments		
Gains (losses) recognised in equity	472.7	– 12.1
Gains (losses) recognised in equity – deferred tax	– 66.5	– 0.4
Gains (losses) recognised in equity – deferred profit participation	– 252.3	20.2
Included in the income statement	38.1	– 28.1
Included in the income statement – deferred tax	0.0	0.3
Included in the income statement – deferred profit participation	– 15.7	25.3
Change resulting from valuation at equity		
Gains (losses) recognised in equity	2.3	6.6
Included in the income statement	0.0	0.0
Actuarial gains and losses on defined benefit plans		
Gains (losses) recognised in equity	– 45.9	– 13.9
Gains (losses) recognised in equity – deferred tax	8.8	3.1
Gains (losses) recognised in equity – deferred profit participation	8.6	2.7
Other changes	– 1.8	– 3.5
Income and expense recognised directly in equity	**157.8**	**4.0**
Total recognised income and expense	**240.7**	**56.6**
of which attributable to UNIQA Versicherungen AG shareholders	200.6	41.8
of which minority interests	40.0	14.8

Consolidated Cash Flow Statement

Figures in € million	1–6/2012	1–6/2011
Net profit/loss including minority interests		
Net profit/loss	82.9	52.6
of which interest and dividend payments	7.9	7.7
Minority interests	– 25.5	– 18.3
Change in technical provisions (net)	997.3	304.7
Change in deferred acquisition costs	– 38.3	– 31.8
Change in amounts receivable and payable from direct insurance	– 67.7	– 54.7
Change in other amounts receivable and payable	77.1	23.0
Change in securities at fair value through profit or loss	5.7	– 21.7
Realised gains/losses on the disposal of investments	– 461.8	– 60.6
Depreciation/appreciation of other investments	– 30.9	218.7
Change in provisions for pensions and severance payments	49.0	13.7
Change in deferred tax assets/liabilities	71.4	– 2.9
Change in other balance sheet items	147.8	– 2.8
Change in goodwill and intangible assets	31.0	8.8
Other non-cash income and expenses as well as accounting period adjustments	– 13.7	0.1
Net cash flow from operating activities	**824.4**	**429.0**
of which cash flow from income tax	– 39.6	– 38.9
Receipts due to disposal of consolidated companies	221.7	0.0
Payments due to acquisition of consolidated companies	– 75.6	– 4.2
Receipts due to disposal and maturity of other investments	5,666.5	3,095.5
Payments due to acquisition of other investments	– 6,133.2	– 3,390.6
Change in investments held on account and at risk of life insurance policyholders	– 284.1	– 95.1
Net cash flow used in investing activities	**– 604.6**	**– 394.4**
Change in investments on own shares	0.0	0.0
Share capital increase	0.0	0.0
Dividend payments	0.0	– 56.9
Receipts and payments from other financing activities	– 2.3	– 1.7
Net cash flow used in financing activities	**– 2.3**	**– 58.6**
Change in cash and cash equivalents	**217.6**	**– 24.0**
Change in cash and cash equivalents due to foreign currency translation	1.1	0.4
Change in cash and cash equivalents due to acquisition/disposal of consolidated companies	– 14.5	3.5
Cash and cash equivalents at beginning of period	683.1	532.9
Cash and cash equivalents at end of period	**887.3**	**512.8**
of which cash flow from income tax	– 39.6	– 38.9

The cash and cash equivalents correspond to item L. of the assets: Liquid funds.

Segment Reports
Segment Balance Sheet

CLASSIFIED BY SEGMENT

Figures in € million	Property and casualty		Health	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
Assets				
A. Tangible assets	167.7	165.7	29.6	29.5
B. Land and buildings held as financial investments	281.1	282.8	297.2	294.7
C. Intangible assets	519.4	545.6	221.4	243.4
D. Shares in associated companies	12.4	14.7	190.3	193.4
E. Investments	2,761.3	2,895.3	1,807.1	2,230.9
F. Investments held on account and at risk of life insurance policyholders	0.0	0.0	0.0	0.0
G. Share of reinsurance in technical provisions	180.3	212.1	1.6	4.4
H. Share of reinsurance in technical provisions held on account and at risk of life insurance policyholders	0.0	0.0	0.0	0.0
I. Receivables including receivables under insurance business	1,092.5	1,050.3	333.8	295.6
J. Receivables from income tax	45.7	43.9	0.1	0.2
K. Deferred tax assets	119.3	132.5	3.2	4.6
L. Liquid funds	298.9	196.4	191.9	276.3
Total segment assets	**5,478.5**	**5,539.2**	**3,076.2**	**3,573.0**
Equity and liabilities				
B. Subordinated liabilities	339.0	339.0	0.0	0.0
C. Technical provisions	2,769.3	2,858.1	2,400.9	2,960.7
D. Technical provisions held on account and at risk of life insurance policyholders	0.0	0.0	0.0	0.0
E. Financial liabilities	259.5	263.8	26.0	32.0
F. Other provisions	757.0	738.9	16.4	18.7
G. Payables and other liabilities	1,072.7	1,042.0	121.5	107.9
H. Liabilities from income tax	9.1	16.5	1.1	1.4
I. Deferred tax liabilities	181.3	189.3	95.5	75.7
Total segment liabilities	**5,387.9**	**5,447.5**	**2,661.3**	**3,196.4**

	Life		Consolidation		Group
30.6.2012	31.12.2011	30.6.2012	31.12.2011	30.6.2012	31.12.2011
139.0	188.4	0.0	0.0	336.3	383.5
990.2	989.4	0.0	0.0	1,568.5	1,567.0
709.8	711.3	0.0	0.0	1,450.6	1,500.3
317.4	322.4	0.0	0.0	520.0	530.5
12,964.3	12,620.0	– 537.6	– 573.9	16,995.0	17,172.2
4,680.0	4,396.0	0.0	0.0	4,680.0	4,396.0
453.7	467.6	0.0	0.0	635.6	684.1
404.4	405.5	0.0	0.0	404.4	405.5
693.4	583.3	– 1,125.8	– 941.2	993.8	988.0
27.8	7.1	0.0	0.0	73.6	51.2
67.7	69.1	0.0	0.0	190.2	206.2
396.4	210.4	0.0	0.0	887.3	683.1
21,844.1	**20,970.5**	**– 1,663.5**	**– 1,515.1**	**28,735.3**	**28,567.7**
270.0	270.0	– 34.0	– 34.0	575.0	575.0
14,346.4	14,079.1	– 12.2	– 9.8	19,504.3	19,888.1
4,618.9	4,318.3	0.0	0.0	4,618.9	4,318.3
284.1	276.1	– 492.8	– 498.2	76.7	73.7
49.9	30.5	0.0	0.0	823.2	788.1
1,455.3	1,337.4	– 1,121.6	– 969.3	1,527.9	1,517.9
7.6	1.3	0.0	0.0	17.8	19.2
62.8	26.7	0.0	0.0	339.7	291.7
21,094.9	**20,339.4**	**– 1,660.7**	**– 1,511.2**	**27,483.5**	**27,472.1**
			Shareholders' equity and minority interests	1,251.8	1,095.6
			Total equity and liabilities	**28,735.3**	**28,567.7**

The amounts indicated have been adjusted to eliminate amounts resulting from inter-segment transactions. Therefore, the balance of segment assets and segment liabilities does not allow conclusions to be drawn with regard to the equity allocated to the respective segment.

Segment Reports
Segment Income Statement

CLASSIFIED BY SEGMENT

Figures in € million	Property and casualty		Health		Life		Consolidation		Group	
	1–6/2012	1–6/2011	1–6/2012	1–6/2011	1–6/2012	1–6/2011	1–6/2012	1–6/2011	1–6/2012	1–6/2011
Gross premiums written	1,331.2	1,316.0	456.8	440.4	720.5	889.1	20.3	–10.4	2,528.8	2,635.1
Premiums earned (retained)	1,158.8	1,136.5	450.9	434.6	675.4	856.0	–7.1	–6.4	2,277.9	2,420.7
Income from fees and commissions	0.2	5.2	0.0	0.0	14.0	5.8	6.8	0.8	21.1	11.8
Net investment income	28.7	20.9	53.0	20.8	319.1	223.7	2.7	0.4	403.4	265.8
Other income	17.3	21.1	4.4	3.1	4.9	7.6	1.2	2.6	27.8	34.4
Insurance benefits (net)	–778.4	–755.1	–387.0	–372.0	–733.4	–783.6	1.5	1.5	–1,897.3	–1,909.1
Operating expenses	–384.2	–381.2	–65.1	–69.1	–185.6	–217.7	–5.8	0.2	–640.7	–667.8
Other expenses	–35.7	–32.6	–2.8	–2.9	–28.8	–25.2	3.2	–0.6	–64.2	–61.3
Amortisation of goodwill	–1.3	–1.3	0.0	0.0	–4.6	–2.7	0.0	0.0	–5.9	–4.1
Operating profit/loss	5.3	13.5	53.3	14.5	61.0	63.8	2.5	–1.5	122.1	90.3
Financing costs	–8.8	–8.8	–0.2	–0.5	–6.6	–6.6	0.0	0.0	–15.6	–15.9
Profit/loss on ordinary activities	**–3.4**	**4.7**	**53.1**	**14.0**	**54.4**	**57.2**	**2.5**	**–1.5**	**106.5**	**74.4**
Income taxes	–13.8	–7.1	–11.7	–6.6	–7.0	–5.4	0.0	0.0	–32.5	–19.1
Result from discontinued operations (after taxes)	3.3	–0.9	1.9	0.7	5.0	–0.4	–1.3	–2.1	8.9	–2.7
Net profit/loss	**–13.9**	**–3.2**	**43.3**	**8.1**	**52.3**	**51.4**	**1.2**	**–3.6**	**82.9**	**52.6**
of which consolidated profit/loss	–17.5	–4.9	26.7	–0.8	46.9	43.7	1.2	–3.6	57.3	34.3
of which minority interests	3.6	1.7	16.6	8.9	5.3	7.7	0.0	0.0	25.5	18.3

CLASSIFIED BY REGION

Figures in € million	Premiums earned (retained)		Net investment income		Insurance benefits (net)		Operating expenses		Profit/loss on ordinary activities	
	1–6/2012	1–6/2011	1–6/2012	1–6/2011	1–6/2012	1–6/2011	1–6/2012	1–6/2011	1–6/2012	1–6/2011
Austria	**1,507.1**	**1,564.4**	**337.1**	**225.4**	**–1,354.2**	**–1,250.3**	**–377.5**	**–428.3**	**83.6**	**69.6**
Other Europe	**831.1**	**912.2**	**70.9**	**44.8**	**–573.5**	**–687.4**	**–353.4**	**–315.1**	**25.0**	**12.1**
Western Europe	469.1	534.1	39.9	23.9	–352.8	–432.3	–140.4	–119.3	17.9	17.8
Central and Eastern Europe	362.1	378.1	31.0	20.8	–220.7	–255.1	–213.0	–195.8	7.1	–5.6
Total before consolidation	**2,338.2**	**2,476.6**	**408.0**	**270.2**	**–1,927.7**	**–1,937.7**	**–730.9**	**–743.4**	**108.6**	**81.7**
Consolidation (based on geographic segments)	–60.3	–55.8	–4.6	–4.4	30.3	28.6	90.2	75.5	–2.1	–7.3
In the consolidated financial statements	**2,277.9**	**2,420.7**	**403.4**	**265.8**	**–1,897.3**	**–1,909.1**	**–640.7**	**–667.8**	**106.5**	**74.4**

The investment income and profit/loss on ordinary activities by region are presented adjusted for the capital consolidation effects contained in the investment income. The consolidation item includes the expenditure and income consolidation from operational business relations between Group companies on the basis of geographic segments.

Group Notes

ACCOUNTING REGULATIONS

As a publicly listed company, UNIQA Versicherungen AG is obliged to prepare its consolidated financial statements according to internationally accepted accounting principles. These consolidated interim financial statements for the period ending 30 June 2012 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS), in the versions applicable to this reporting period. The accounting and valuation principles and consolidation methods are the same as those applied in the preparation of the consolidated financial statements for the 2011 business year.

On 1 July 2008, securities previously available for sale were reclassified according to IAS 39/50E as other loans. Overall, fixed-interest securities with a book value of €2,130.2 million were reclassified. The corresponding revaluation reserve as at 30 June 2008 was minus €98.2 million. The market value as at 31 December 2011 was €981.4 million; the current market value as at 30 June 2012 amounted to €934.2 million, which corresponded to a change in market value of plus €75.4 million in the 1st half of 2012. The book value of the reclassified securities amounted to €966.5 million as at 30 June 2012 (31 December 2011: 1,089.1 million). In addition, an amortisation gain of €430,475 was posted in the income statement.

For creation of these consolidated interim financial statements, according to IAS 34.41, estimates are used to a greater extent than as in the annual consolidated financial statements.

SCOPE OF CONSOLIDATION

In addition to the interim financial statement of UNIQA Versicherungen AG, the consolidated interim financial statements include the interim financial statements of all Austrian and international subsidiaries. A total of 33 affiliated companies did not form part of the scope of consolidation. They were of only minor significance, even if taken together, for the presentation of a true and fair view of the Group's assets, financial position and income. The scope of consolidation, therefore, contains – in addition to UNIQA Versicherungen AG – 127 subsidiaries in which the UNIQA Group held the majority voting rights.

The scope of consolidation was not extended in the reporting period. In June 2012, UNIQA entered into an agreement with the European Bank for Reconstruction and Development (EBRD) on the acquisition of the minority interests held by EBRD in the subsidiaries in Croatia (20 per cent), Poland (30 per cent) and Hungary (15 per cent). The acquisition of these minority interests is already legally effective.

On 16 April 2012, the UNIQA Group entered into agreements to sell Mannheimer AG Holding including its subsidiaries and the associated real estate holdings. These transactions were conducted in the 2nd quarter of 2012 and related to 91.68 per cent of the shares of Mannheimer AG Holding, its subsidiaries Mannheimer Versicherung AG, Mannheimer Krankenversicherung AG and mamax Lebensversicherung AG, and the real estate companies MV Augustaanlage Verwaltungs-GmbH and MV Augustaanlage GmbH & Co. KG. The result from discontinued operations is composed as follows:

	Property and casualty		Health		Life		Consolidation		Group	
Figures in € million	1–6/2012	1–6/2011	1–6/2012	1–6/2011	1–6/2012	1–6/2011	1–6/2012	1–6/2011	1–6/2012	1–6/2011
Gross premiums written	197.6	191.8	72.7	66.0	9.9	7.8	0.0	0.0	280.3	265.6
Premiums earned (retained)	152.6	148.9	69.8	63.0	7.3	5.3	0.1	0.0	229.8	217.3
Income from fees and commissions	0.4	0.3	0.0	0.0	1.3	1.5	0.0	0.0	1.7	1.8
Net investment income	7.5	3.8	12.1	8.0	1.2	0.2	0.0	0.0	20.8	12.0
Other income	18.4	16.7	0.4	0.7	0.2	0.1	–14.5	–10.5	4.5	7.0
Insurance benefits (net)	–105.8	–100.4	–71.3	–60.4	–5.9	–3.6	0.4	–0.3	–182.6	–164.7
Operating expenses	–57.9	–58.9	–9.2	–9.5	–2.8	–2.8	0.0	0.0	–69.9	–71.2
Other expenses	–16.7	–14.1	–2.2	–1.1	–1.7	–1.5	12.7	8.7	–7.9	–8.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit/loss	–1.5	–3.7	–0.5	0.7	–0.4	–0.7	–1.3	–2.1	–3.6	–5.8
Financing costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss on ordinary activities	**–1.5**	**–3.7**	**–0.5**	**0.7**	**–0.4**	**–0.7**	**–1.3**	**–2.1**	**–3.6**	**–5.8**
Income taxes	–0.5	2.8	0.1	0.0	–0.2	0.3	0.0	0.0	–0.6	3.1
Current result from discontinued operations (after taxes)	**–2.0**	**–0.9**	**–0.4**	**0.7**	**–0.5**	**–0.4**	**–1.3**	**–2.1**	**–4.2**	**–2.7**
Disposal proceeds from discontinued operations	**13.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**13.1**	**0.0**
Result from discontinued operations (after taxes)	**11.1**	**–0.9**	**–0.4**	**0.7**	**–0.5**	**–0.4**	**–1.3**	**–2.1**	**8.9**	**–2.7**

FOREIGN CURRENCY TRANSLATION

The reporting currency of UNIQA Versicherungen AG is the euro. All financial statements of international subsidiaries which are not reported in euros are converted, at the rate on the balance sheet closing date, according to the following guidelines:

- Assets, liabilities and transition of the net profit/loss for the period at the middle rate on the balance sheet closing date
- Income statement at the average exchange rate for the period
- Group equity (except for net profit/loss for the period) at the historic exchange rate

Resulting exchange rate differences are set off against the shareholders' equity without affecting income.

The most important exchange rates are summarised in the following table:

€ rates on balance sheet closing date	30.6.2012	31.12.2011
Swiss franc CHF	1.2030	1.2156
Czech koruna CZK	25.6400	25.7870
Hungarian forint HUF	287.7700	314.5800
Croatian kuna HRK	7.5178	7.5370
Polish złoty PLN	4.2488	4.4580
Bosnia and Herzegovina convertible mark BAM	1.9558	1.9558
Romanian leu (new) RON	4.4513	4.3233
Bulgarian lev (new) BGN	1.9558	1.9558
Ukrainian hrywnja UAH	10.2279	10.3708
Serbian dinar RSD	115.6274	107.0795
Russian ruble RUB	41.3700	41.7650
Albanian lek ALL	138.1100	138.5500
Macedonian denar MKD	62.4343	61.7613

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Premiums written in property and casualty insurance

Figures in € million	1–6/2012	1–6/2011	Change
Direct business			
Fire and business interruption insurance	136.9	127.5	+ 7.4 %
Household insurance	68.7	66.8	+ 2.8 %
Other property insurance	130.0	128.7	+ 1.0 %
Motor TPL insurance	347.5	324.8	+ 7.0 %
Other motor insurance	250.8	253.3	– 1.0 %
Casualty insurance	150.0	141.3	+ 6.1 %
Liability insurance	132.6	132.0	+ 0.5 %
Legal expenses insurance	36.0	33.7	+ 6.8 %
Marine, aviation and transport insurance	38.0	34.4	+ 10.5 %
Other insurance	33.4	33.9	– 1.3 %
Total	**1,323.9**	**1,276.3**	**+ 3.7 %**
Indirect business			
Marine, aviation and transport insurance	0.1	1.8	– 95.1 %
Other insurance	28.5	27.6	+ 3.2 %
Total	**28.6**	**29.4**	**– 2.7 %**
Total direct and indirect business (fully consolidated values)	**1,352.5**	**1,305.7**	**+ 3.6 %**

Operating expenses

Figures in € million	1–6/2012	1–6/2011
Property and casualty		
a) Acquisition costs		
Payments	287.3	263.3
Change in deferred acquisition costs	– 19.9	– 19.1
b) Other operating expenses	122.6	136.8
	390.1	**381.0**
Health		
a) Acquisition costs		
Payments	45.8	41.7
Change in deferred acquisition costs	– 4.5	– 3.8
b) Other operating expenses	23.8	31.2
	65.1	**69.1**
Life		
a) Acquisition costs		
Payments	143.2	166.1
Change in deferred acquisition costs	– 4.1	– 0.9
b) Other operating expenses	46.4	52.5
	185.5	**217.7**
Total (fully consolidated values)	**640.7**	**667.8**

Reinsurance commissions and profit shares from reinsurance business ceded

Figures in € million	1–6/2012	1–6/2011
Property and casualty	7.1	6.0
Health	0.0	0.0
Life	14.0	5.8
Total (fully consolidated values)	**21.1**	**11.8**

Insurance benefits

	Gross		Reinsurers' share		Retention	
Figures in € million	1–6/2012	1–6/2011	1–6/2012	1–6/2011	1–6/2012	1–6/2011
Property and casualty						
Expenditure for claims						
Claims paid	658.5	740.5	–31.3	–23.9	627.2	716.5
Change in provision for outstanding claims	128.1	5.7	3.6	8.5	131.7	14.2
Total	**786.6**	**746.2**	**–27.7**	**–15.5**	**758.9**	**730.8**
Change in actuarial provisions	0.3	3.8	0.0	0.0	0.3	3.8
Change in other actuarial provisions	–0.7	0.5	0.0	0.0	–0.7	0.5
Expenditure for profit-unrelated and profit-related premium refunds	19.1	18.6	0.0	0.0	19.1	18.6
Total amount of benefits	**805.3**	**769.1**	**–27.7**	**–15.5**	**777.6**	**753.7**
Health						
Expenditure for claims						
Claims paid	263.3	309.6	–0.1	–0.1	263.2	309.5
Change in provision for outstanding claims	53.2	–2.3	0.0	0.5	53.2	–1.8
Total	**316.5**	**307.3**	**–0.1**	**0.4**	**316.4**	**307.7**
Change in actuarial provisions	57.2	54.5	0.1	0.1	57.3	54.6
Change in other actuarial provisions	0.0	0.0	0.0	0.0	0.0	0.0
Expenditure for profit-related and profit-unrelated premium refunds	13.3	9.7	0.0	0.0	13.3	9.7
Total amount of benefits	**387.0**	**371.5**	**0.0**	**0.5**	**387.0**	**372.0**
Life						
Expenditure for claims						
Claims paid	751.6	818.2	–54.1	–53.0	697.6	765.1
Change in provision for outstanding claims	38.5	–9.3	0.9	4.4	39.4	–4.9
Total	**790.1**	**808.9**	**–53.1**	**–48.7**	**737.0**	**760.2**
Change in actuarial provisions	–110.9	37.7	16.3	10.3	–94.6	48.1
Change in other actuarial provisions	4.7	0.5	0.0	0.0	4.7	0.5
Expenditure for profit-unrelated and profit-related premium refunds and/or (deferred) profit participation	85.7	–25.3	0.0	0.0	85.7	–25.3
Total amount of benefits	**769.6**	**821.8**	**–36.8**	**–38.3**	**732.7**	**783.5**
Total (fully consolidated values)	**1,961.9**	**1,962.5**	**–64.6**	**–53.3**	**1,897.3**	**1,909.1**

Net investment income

By segment Figures in € million	Property and casualty 1–6/2012	1–6/2011	Health 1–6/2012	1–6/2011	Life 1–6/2012	1–6/2011	Group 1–6/2012	1–6/2011
I. Properties held as investments	**1.9**	**2.2**	**1.6**	**1.8**	**15.6**	**7.8**	**19.1**	**11.8**
II. Shares in associated companies	**2.3**	**–1.9**	**–0.1**	**1.9**	**2.4**	**–6.9**	**4.6**	**–6.9**
III. Variable-yield securities	**8.5**	**10.2**	**5.9**	**–1.4**	**47.9**	**28.6**	**62.3**	**37.3**
1. Available for sale	8.1	10.2	4.5	0.1	48.0	26.1	60.6	36.5
2. At fair value through profit or loss	0.4	0.0	1.4	–1.5	–0.1	2.4	1.7	0.9
IV. Fixed interest securities	**25.5**	**10.1**	**36.8**	**8.3**	**279.3**	**112.8**	**341.7**	**131.3**
1. Held to maturity	0.0	0.7	0.0	1.4	0.0	8.6	0.0	10.6
2. Available for sale	24.5	8.9	35.2	4.9	258.0	93.6	317.7	107.5
3. At fair value through profit or loss	0.9	0.5	1.6	2.1	21.4	10.7	23.9	13.2
V. Loans and other investments	**6.6**	**3.6**	**4.2**	**2.0**	**24.9**	**25.4**	**35.6**	**31.1**
1. Loans	2.3	0.2	3.5	2.4	14.6	15.8	20.3	18.4
2. Other investments	4.2	3.4	0.7	–0.3	10.3	9.6	15.3	12.7
VI. Derivative financial instruments (held for trading)	**–3.0**	**1.6**	**5.4**	**9.3**	**–39.5**	**69.1**	**–37.1**	**80.0**
VII. Expenditure for asset management, interest charges and other expenses	**–6.7**	**–4.7**	**–2.5**	**–2.3**	**–13.6**	**–11.8**	**–22.8**	**–18.9**
Total (fully consolidated values)	**35.0**	**21.1**	**51.3**	**19.7**	**317.1**	**225.0**	**403.4**	**265.8**

By segment and income type Figures in € million	Property and casualty 1–6/2012	1–6/2011	Health 1–6/2012	1–6/2011	Life 1–6/2012	1–6/2011	Group 1–6/2012	1–6/2011
Ordinary income	49.7	47.4	33.7	34.9	286.2	258.8	369.5	341.1
Write-ups and unrealised capital gains	5.3	5.8	16.9	9.6	137.5	135.0	159.7	150.4
Realised capital gains	7.5	7.8	20.1	14.1	124.5	106.4	152.1	128.3
Write-offs and unrealised capital losses	–1.9	–34.0	–10.4	–32.9	–100.2	–240.0	–112.5	–306.8
Realised capital losses	–25.6	–5.8	–8.9	–6.1	–130.8	–35.3	–165.3	–47.2
Total (fully consolidated values)	**35.0**	**21.1**	**51.3**	**19.7**	**317.1**	**225.0**	**403.4**	**265.8**

The net investment income of €403.4 million included realised and unrealised gains and losses amounting to plus €33.9 million, which included currency gains of €77.4 million. The effects mainly resulted from investments in US dollars. The currency gains in the underlying US dollar securities amounted to approximately €100.7 million. These gains were partly offset by losses from derivative financial instruments in the amount of €26.2 million in connection with hedging transactions. In addition, negative currency effects amounting to €2.6 million were recorded directly under equity.

The realised capital losses amounting to €165.3 million were due to the sales of investments in the PIIGS countries – in particular Portuguese government bonds (€40.2 million) and Italian government bonds (€16.8 million) – as well as losses from hedging transactions in US dollars in the amount of €77.8 million.

Disclosures on investments in the PIIGS countries

Issuer Figures in € million	Remaining term of 1–10 years	Remaining term of 11–20 years	Remaining term of more than 20 years	Current market value 30.6.2012
Spain	0.5	0.0	58.9	59.4
Greece	0.0	0.0	0.0	0.0
Ireland	149.8	140.5	0.0	290.3
Italy	427.6	31.2	177.1	635.9
Portugal	0.0	0.0	0.0	0.0
Total	**577.9**	**171.7**	**236.1**	**985.6**

Recognition and measurement of the government bonds of PIIGS countries as at 30 June 2012

Based on a negative assessment of the chances of Greece's financial restructuring and the associated possible consequences for Portugal, the UNIQA Group sold its holding in Greek and Portuguese debt instruments during the 1st half of 2012.

The difference between the amortised cost and the market value of the Irish, Italian and Spanish debt instruments – reduced by the deferred profit participation (in life insurance) and deferred taxes – predominantly affects the revaluation reserves. After taking into account the different aspects of the European rescue packages, there is currently no evidence that the return of future cash flows in connection with these debt instruments will be jeopardised over the long term.

OTHER DISCLOSURES

Employees

Average number of employees	1–6/2012	1–6/2011
Total	**14,522**	**14,988**
of which sales	6,103	6,037
of which administration	8,419	8,951

Statement by the legal representatives

The Management Board of UNIQA Versicherungen AG hereby confirms to the best of its knowledge that the condensed 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 condensed 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.

This consolidated half-year financial report was neither audited nor reviewed by an auditor.

Vienna, August 2012

Andreas Brandstetter
Chairman of the Management Board

Hannes Bogner
Member of the Management Board

Wolfgang Kindl
Member of the Management Board

Hartwig Löger
Member of the Management Board

Kurt Svoboda
Member of the Management Board

Gottfried Wanitschek
Member of the Management Board

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Clause regarding predictions about the future

This report contains statements which refer to the future development of the UNIQA Group. These statements present estimations which were reached upon the basis of all of the information available to the Group at the present time. If the assumptions on which they are based do not occur, the actual events may vary from the results currently expected. As a result, no guarantee can be provided for the information given.

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