

RNS Aviva PLC AV. Acquisition
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Aviva acquires HPI Group Holdings Ltd in the UK

Aviva plc ("Aviva") announces that Norwich Union Insurance ("NUI"), its UK general insurance business, has acquired the entire share capital of HPI Group Holdings Ltd ("HPI") from Phoenix Equity Partners for £118.5 million in cash and £1.5 million in loan notes.

HPI is the UK's leading provider of vehicle status checks for used-car purchasers in the UK with around 60% market share. In 2003, there were 6.8 million used-car transactions in the UK of which 60% were checked.

The acquisition will provide NUI with an access point to capture new customers at a key stage of their purchasing decision - buying a new car is the second biggest trigger point for people to change their insurer. The deal will also help HPI to leverage its existing business plan as part of the UK's largest general insurer. In particular, it will aim to develop its position in relation to private car sales where only 5% of the 2.9 million used-car sales per annum are checked.

This acquisition also supports NUI's objective of extending its service offering and increasing its level of non-insurance income.

HPI's sales grew by 36% to £22.5 million in the two years to March 2004 and pre-tax trading profit for the calendar year 2004 is estimated to be £10 million. The estimated fair value of HPI's net assets is £6 million.

Patrick Snowball, chief executive, Norwich Union Insurance and an executive director of Aviva plc said: "HPI is fast growing with significant opportunities to expand its own business, whilst providing a key access point for Norwich Union Insurance to capture new insurance customers."

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Notes to editors:

- * Aviva is the UK's largest insurance group, a leading provider of life and pensions to Europe and has businesses in a number of other markets around the world. Aviva is the world's fifth-largest insurer based on worldwide gross written premiums.
- * Aviva's principal business activities are long-term savings, fund management and general insurance, with worldwide premium income and retail investment sales of £30 billion, and £240 billion of assets under management at 31 December 2003.
- * The Aviva media centre at www.aviva.com/media includes images, company and product information and a news release archive.
- * Norwich Union Insurance, part of the Aviva group, is the UK's largest general insurer with a market share of around 14 per cent.

With a focus on insurance for individuals and small businesses, Norwich Union insures:

- one in five households
- one in seven motor vehicles
- more than 800,000 businesses

Norwich Union products are available through a variety of distribution channels including brokers, corporate partners such as banks and building societies and Norwich Union Direct.

- * Established in 1938, HPI is the UK's primary source of vehicle information for motorists and the motor industry. The HPI database - comprising descriptions and histories of all UK road registered vehicles and the National Mileage Register, which has nearly 80 million mileage records - represents the UK's largest and most authoritative independent vehicle information source. The company is headquartered in Salisbury and employs 191 staff in the UK.

This information is provided by RNS
The company news service from the London Stock Exchange

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