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Vienna Insurance Group extends presence in Poland

Acquisition of life insurer Skandia Poland

Vienna Insurance Group AG Wiener Versicherung Gruppe (VIG) has concluded an agreement with Skandia Retail Europe Holding GmbH, member of Old Mutual Group, to acquire 100 percent of shares in Polish life insurance company **Skandia Zycie TU S.A. (Skandia Poland)**. It is agreed not to disclose the purchase price. The acquisition is subject to approval by the relevant regulatory and competition authorities.

“This purchase marks a very satisfying and important step in our development in our core market Poland which has high growth potential. The addition of the Skandia Poland product range will significantly expand our portfolio of unit-linked life insurance policies. The company also has an extensive sales network that will provide VIG with an excellent opportunity to attract new customer groups, as well as enhance our long-term position as one of the country’s leading insurers,” said **Peter Hagen, CEO of Vienna Insurance Group.**

“We are very pleased to have reached this agreement with VIG. Our decision to sell Skandia Poland is driven by our strategic commitment to simplify our operations in Europe and focus on a select number of core growth markets. Skandia Poland is a profitable business which is expected to continue to thrive within VIG. We look forward to working with them to ensure a smooth transfer of the business for our customers, distributors and staff,” said **Paul Feeney, CEO of Old Mutual Wealth.**

In the first half of 2013 Skandia Poland recorded premiums written of around EUR 45 million, making it the number 14 on the Polish life insurance market. Its premium income totalled about EUR 91 million in 2012. Skandia Poland has been operating on the Polish market for 14 years and sells its products – primarily unit-linked life insurance policies – particularly through financial intermediaries such as banks, insurance brokers and insurance platforms. The company currently employs 150 people.

VIG in Poland

The Vienna Insurance Group is represented in Poland by three non-life insurance companies, Benefia, Compensa and Interrisk, and three life insurers, Benefia Life, Compensa Life und Polisa Life. These companies posted a combined premium volume of some EUR 610 million in the first six months of 2013, putting them in third place on the Polish market. VIG has had a presence in the country since 1998 and has become one of Poland’s leading insurers over the past few years thanks to strong organic growth and a number of strategic acquisitions.

Poland: a major market with long-term future potential

Poland is one of the largest economies in the European Union with around 38.5 million inhabitants. Solid domestic demand helped the country to remain robust in the economic and financial crisis. Premiums written on the Polish insurance market amounted to about EUR 15 billion in 2012, resulting in an insurance density (annual premium payments per capita) of approximately EUR 390. By way of comparison, insurance density in the Czech Republic is EUR 560, while the average Austrian spends some EUR 1,920 on insurance each year. The Polish insurance market grew by 7.9 percent year on year in 2012, with the life insurance segment increasing by 12.5 percent.

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Vienna Insurance Group (VIG) is the leading insurance specialist in Austria as well as in Central and Eastern Europe. About 50 companies in 24 countries form a Group with a long-standing tradition, strong brands and close customer relations. VIG looks back on almost 190 years of experience in the insurance business. With about 23,000 employees, Vienna Insurance Group is the clear market leader in its core markets. It is therefore excellently positioned to take advantage of the long-term growth opportunities in a region with 180 million people. The listed Vienna Insurance Group is the best-rated company of ATX, the leading index of Vienna Stock Exchange; its share is also listed on the Prague Stock Exchange.

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