

## NEWS RELEASE

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### **ING Vysya Life shareholding structure to change**

ING Vysya Life Insurance Co Ltd. (ING Vysya Life) today announced details of a proposed new shareholding structure following the announcement by ING Vysya Bank to sell its 14.87 per cent stake in the company to Gujarat Ambuja Cements Limited (GACL). The proposed transaction is subject to Insurance Regulatory and Development Authority and other relevant regulatory approvals. GACL will pay Rs.60.9 crore for the stake.

The announcement comes as ING Vysya Life is experiencing rapid growth with premium income expanding by 312% in 2004. Since beginning operations in September 2001, the business has achieved a strong market position in South India and is ranked eighth nationally among private sector players as at 31<sup>st</sup> March 2005\*.

GACL is the fastest growing cement company in India and considered one of the most reputed companies in India. It operates six cement plants and three grinding plants, with a current capacity of 14.5 million tonnes per annum. GACL's brand "Ambuja Cement" is considered a premium brand in the Indian market. Apart from domestic sales, Ambuja Cement is also the largest seller of Indian cement in countries including Sri Lanka, Dubai and Kuwait.

In the fiscal year ended June 2004, GACL reported net sales of about Rs. 1,968 crore, and net profit of Rs. 337 crore. As of 13 May 2005, it had a market capitalisation of approximately Rs. 8,000 crore. GACL will take one seat to join the current nine-member board of directors of ING Vysya Life.

Frank Koster, Managing Director & CEO of ING Vysya Life, stated: "ING Vysya Life has grown considerably over the last three and a half years and is now poised to gain scale rapidly. We welcome GACL's proposed investment in the company and believe that ING Vysya Life will benefit from having a reputable Indian group such as GACL as a shareholder. "

Anil Singhvi, Whole Time Director of GACL, stated: "Our decision to invest in ING Vysya Life was based on their rapid expansion to date and our belief that the company will continue to build on this growth, tapping the global expertise of ING Group's sizeable insurance operations. We are excited to acquire this stake in ING Vysya Life at a time when the private insurance sector in India is growing rapidly, as seen by the industry's increase in premium income of 129% in the fiscal year 2004-05."

The company's life insurance products will continue to be distributed through ING Vysya Bank's 400 plus bank branches across India on an exclusive basis. The Bank's focus on strengthening its retail distribution will also benefit the distribution of ING Vysya Life products. The Bank's extensive rural branch network will also continue to support the development of ING Vysya Life's rural business.

The stakes of the other shareholders remain unchanged, with ING Group retaining its 26% stake, the maximum stake currently allowed under FDI regulations.

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*ING is a global financial institution of Dutch origin offering banking, insurance and asset management to over 60 million private, corporate and institutional clients in over 50 countries.*

*With a diverse workforce of over 113,000 people, ING comprises a broad spectrum of prominent companies that increasingly serve their clients under the ING brand.*

*About ING Vysya*

*ING Vysya consists of three businesses in India, ING Vysya Life Insurance, ING Vysya Bank and ING Vysya Mutual Fund. ING Vysya Bank is a premier private sector bank with a 70-year heritage and 2 million satisfied customers. ING Vysya Mutual Fund is a mid sized asset management company with a retail investor focus.*

*About ING Group*

*ING Vysya is a part of ING Group, the world's fourth largest financial services company\*. ING Group has over 60 million customers in 50 countries that have entrusted it with over \$ 700 billion of their wealth.*

\* Source Insurance Regulatory and Development Authority