

3 March 2009

CAPITA ACQUIRES HERO INSURANCE SERVICES

The Capita Group plc ("Capita") today announces the acquisition of Hero Insurance Services Limited ("Hero") from insurance and investment group LV= (formerly known as Liverpool Victoria) for a consideration of approximately £15 million on a cash free, debt free basis. The acquisition will add greater capacity and valuable new expertise to Capita's insurance intermediary and administration business.

Hero is a personal lines broker offering insurance for cars, motorbikes, homes and commercial vehicles through brands including AQuote, 1stQuote, Motorcycles United and Telebikes. Its pro forma operating profit for the 12 months ended 31 December 2008 is £2.3 million on turnover of £23.9 million.

Paul Pindar, Chief Executive of the Capita Group Plc, said: "The acquisition of Hero Insurance Services will add both new, specialist products and important cost synergies to Capita's personal insurance intermediary and administration business. Hero operates in a number of areas of the market that differ from, but complement, those in which our existing business, BDML, operates. Its distribution channels include direct sales via both 'phone and internet and a number of key aggregators. Its acquisition will provide new economies of scale and the opportunity to offer more ancillary products to existing customers. It will also allow us to provide a more comprehensive service offering a greater range of product lines. I look forward to welcoming all Hero staff who join the Capita Group."

Jackie Basham, a Director of Operations at Hero, said: "Joining forces with Capita represents a great opportunity for our insurance industry clients, our customers and our staff. We are fully committed to maintaining the focus that we have on specialist expertise and service excellence. Being part of Capita will allow us to further enhance the value we offer in these areas."

Hero employs around 300 staff, principally in Essex, Hampshire and Suffolk.

The Capita Group Plc is the UK's leading provider of BPO and integrated professional support service solutions. The Group's service capabilities encompass customer services, financial services, human resource services, software services, systems and strategic support and property services delivered to both public sector and private organisations. With more than 32,000 employees at more than 300 offices across the UK, Ireland and India, Capita is quoted on the London Stock Exchange (CPI.L), and is a constituent of the FTSE100 with revenues for 2007 of £2,073 million.

Further information on The Capita Group Plc can be found at: <http://www.capita.co.uk>

LV=

LV= is a trademark of Liverpool Victoria Friendly Society Limited (LVFS) and LV= is a trading style of the Liverpool Victoria group of companies. The new LV= brand identity was launched in March 2007. LV= is the UK's largest friendly society. As a mutual organisation, LV= exists wholly for the benefit of its members. Its philosophy is to put its members first and ensure they benefit from everything the company does. LV= employs more than 3,400 people, serves more than 3.6 million customers and members, and manages around £7 billion on their behalf.