

Media Release

Tata AIG Life Unveils "Operation Quantum Leap" Targets aggressive business expansion between 2005-07

Mumbai, December 9, 2004

Highlights:

By the year 2007, Tata AIG Life will:

- ? Capture 20% market share of the private life insurance industry
- ? Aim for a total premium in excess of Rs 4,000 crores
- ? Add over 2,500 employees, 75,000 financial advisors and 400 distribution partners across India
- ? Expand to a network of 140 branches in the top 60 cities

Tata AIG Life Insurance Company Limited today unveiled "Operation Quantum Leap" - the Company's aggressive business growth strategy for the next three years. Tata AIG Life has set its sight on becoming one of the top two players in the private insurance sector with a market share of 20% by the year 2007. "Operation Quantum Leap" aims to generate a total premium income of over Rs. 4,000 crores on a customer base of around 3 million by the end of 2007.

In-line with its ambitious business growth plans, Tata AIG Life is planning to increase resources across the board over the next three years. In addition to substantially increasing its equity capital base from the present level of Rs 276 crores, Tata AIG Life will recruit 2,500 employees, taking its employee strength to over 3,000 from its present level of 800. Further, its Agency Channel comprising of 25,000 Personal Financial Advisors will be increased three-fold to over 1,00,000. The Company's alternate channels of distribution (comprising Corporate Agents, Brokers, Bancassurance, Rural and Direct Marketing) are targeting a two-fold increase in partners to over 600 from the present levels of around 200. The Company is also enhancing its infrastructure & technology and increasing its network to 140 branch offices in 60 major cities from its present presence in 24 cities with 45 branch and sales offices.

Unveiling "Operation Quantum Leap", Mr. Ian J- Watts, Managing Director, Tata AIG Life Insurance Company said, "Since the time we commenced operations in April 2001, our approach to growth at Tata AIG Life has been to offer relevant and innovative products. We have spent the last three-and-a-half years gaining a deep understanding of the market & the consumer and we have done extremely well in line with our plans. However, a substantial portion of the insurable population is still uninsured or under-insured. At the same time, many existing customers are becoming increasingly conscious of service and product quality. We see this as a tremendous opportunity given our commitment to provide our customers with innovative products combined with world-

class service. Further, with our focus on financial discipline, we have a clear route to profitability by 2007, which is critical to the long-term growth and sustainability of this business. Therefore, in-line with our commitment to fulfill the protection, savings and retirement needs of both individual and corporate customers, today we launch "Operation Quantum Leap". We aim to achieve market leadership by the end of 2007 and be one of the top two players in the private insurance category".

About Tata AIG Life Insurance Company Ltd

Tata AIG Life Insurance Company Limited (Tata AIG Life) is a joint venture company, formed by the Tata Group and American International Group, Inc. (AIG). Tata AIG Life combines the Tata Group's pre-eminent leadership position in India and AIG's global presence as the world's leading international insurance and financial services organization. The Tata Group holds 74 per cent stake in the insurance venture with AIG holding the balance 26 per cent. Tata AIG Life provides insurance solutions to individuals and corporates. Tata AIG Life Insurance Company was licensed to operate in India on February 12, 2001 and started operations on April 1, 2001.

The Tata Group

The Tata Group is India's best-known industrial group with an estimated turnover of around US \$ 14. 25 billion (equivalent to 2.6 % of India's GDP), covering 91 major companies with business operations in seven business sectors - Engineering, Materials, Energy, Chemicals, Consumer Products, Services, and Communications and Information Systems. The Tata brand is India's most respected brand across consumer segments with many national and internationally renowned product and service brands: Tata Indica, Tata Indigo, Indigo Marina, Tata Safari, Tata Indicom, Taj Hotels Resorts and Palaces, Tata Consultancy Services, Tata Tea, Tetley, Tata Salt, Titan, Tanishq, Voltas and Westside. By combining ethical values with business acumen, globalisation with national interests and, core businesses with emerging ones, the Tata Group aims to be the largest and most respected global brand from India, whilst fulfilling its long-standing commitment to improving the quality of life of its stakeholders.

American International Group Inc. (AIG)

American International Group, Inc. (AIG) is the world's leading international insurance and financial services organization, with operations in more than 130 countries and jurisdictions. AIG member companies serve commercial, institutional and individual customers through the most extensive worldwide property-casualty and life insurance networks of any insurer. In the United States, AIG companies are the largest underwriters of commercial and industrial insurance and AIG American General is a top-ranked life insurer. AIG's global businesses also include financial services, retirement services and asset management. AIG's financial services businesses include aircraft leasing, financial products, trading and market making. AIG's growing global consumer finance business is led in the United States by American General Finance. AIG also has one of the largest U.S. retirement services businesses through AIG SunAmerica and AIG VALIC, and is a leader in asset management for the individual and institutional markets, with specialized investment management capabilities in equities, fixed income, alternative investments and real estate. AIG's common stock is listed on the New York Stock Exchange, as well as the stock exchanges in London, Paris, Switzerland and Tokyo.

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