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Contact: George Yanoshik, Jr.
717-302-4251
george.yanoshik@highmark.com

Highmark Announces Plans to Acquire Viva International Group

Optical Frame Manufacturer Broadens Offerings, Increases Value to Vision Customers

PITTSBURGH, Pa. (Dec. 22, 2004) — Pittsburgh-based Highmark Inc. announced today a definitive agreement to acquire Viva International Group, a privately-held eyewear manufacturer based in Somerville, N.J. The transaction is expected to close in January 2005, and financial terms were not disclosed.

As one of the nation's leading health, vision, dental and life and casualty insurers, Highmark's addition of Viva International Group to its family of subsidiaries will enhance its position in the health care specialty business, making it one of the largest fully integrated vision care providers in the nation.

"We are excited about the additional value our customers will see through this acquisition and our broadened capabilities in the vision arena. Viva's brands are well-established, and the company's management and team of associates are focused on providing quality products and exceptional service to customers. This is a perfect complement to Highmark's existing vision subsidiary businesses," said Kenneth Melani, M.D., Highmark president and chief executive officer.

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Founded by Harvey Ross in 1978, Viva International Group has steadily grown to become a worldwide leader in ophthalmic frames and sunglass manufacturing. The company distributes several leading designer eyewear collections including GUESS?, Tommy Hilfiger, GANT, Candie's, Harley-Davidson, Marc Ecko, Magic Clip, Viva and Savvy eyewear, Bongo, and Catherine Deneuve. Beginning in 2005, Viva will be distributing Furla, Fila, Etro, Givenchy and Escada in North America per agreements with DeRigo S.p.A. Viva was one of the first American eyewear companies to expand internationally and currently maintains offices and direct sales forces in the United Kingdom, France, Brazil, Canada, Mexico, Japan, Hong Kong, Australia, Germany, Holland, Austria, Switzerland, Spain, and Portugal. In total, the company has global distribution capabilities in more than 50 countries.

"It is a culmination of a dream come true. I feel great that I am putting my company in the hands of one of the leading health care companies in the world. Highmark offers Viva a platform for expanded services to our customers and presents a tremendous opportunity for continued growth," says Harvey Ross.

Dr. Melani added, "The acquisition of Viva helps to further solidify Highmark's leadership position in the national managed vision care market with our vision care clients being the ultimate beneficiaries of greater choice and competitive prices."

Highmark Inc. is one of the top health insurers in the United States with corporate headquarters in Pittsburgh, PA. For more information, visit www.highmark.com.

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