

NEWS RELEASE

9 April 2014

JUST RETIREMENT GROUP NEW BUSINESS UPDATE – MAJOR DEFINED BENEFIT DE-RISKING TRANSACTION

- Just Retirement Group is pleased to announce that its Underwritten Defined Benefits De-risking Division has completed contracts on a significant transaction, which demonstrates both the potential of this market and the strength of the company's team. We believe the deal is the largest of its kind and represents £36.5m of single premium income for the Group.
- In addition, Just Retirement Group has either completed or expects to complete a number of other smaller transactions, such that it now expects its total premium income from defined benefits de-risking in the financial year to 30th June 2014 to be at least £80m.

Rodney Cook, CEO of Just Retirement, commented:

“At our half year results in February, we flagged the potential for more defined benefits transactions and we are pleased to be announcing our largest underwritten transaction to date representing £36.5m of single premium income. We believe our intellectual property equips Just Retirement well to compete strongly and we see significant scope to write further business of this type.

Although it is very early days, our current trading suggests that the Budget has had a material effect on individually underwritten annuity (IUA) volumes. As financial advisers and customers come to terms with the new environment we are optimistic that large numbers of them will continue to secure a guaranteed lifetime income in retirement, particularly if the new guidance concept is effectively implemented. As today's announcement demonstrates, we are enjoying some success in the defined benefit market, partially offsetting IUA market weakness. However, given the high degree of uncertainty in the near term IUA outlook, the 7% growth in full year sales that we flagged at interims is no longer appropriate. We will update the market further on 12 May when we release our Q3 IMS.”

Tim Coulson, Director – Defined Benefit Solutions, Just Retirement commented:

“The industry in which the members of the scheme worked resulted in a prevalence of medical and lifestyle conditions that was not fully reflected by traditional rating factors. A medical underwriting process was a superior way to achieve better value through more accurately assessing the longevity profile of the scheme's membership. Just Retirement's

bespoke analysis into the industry highlighted the potential benefits of medical underwriting, which ultimately then delivered significant savings compared to a conventional premium”

Details of the UK's largest underwritten defined benefit de-risking transaction

The buy-in covers over 200 members of a pension scheme in the shipping industry aged between 65 and 80. Detailed health and lifestyle information was gathered on these pensioners from telephone interviews, allowing the most accurate assessment of the underlying longevity of the scheme membership. After achieving an 85 per cent. response rate in a seven week period, the result of the exercise enabled the scheme to make significant savings compared to a conventional premium.

The transaction included both a process for verification of the medical underwriting results and a price hedging strategy. These helped provide comfort to the trustees that the pricing was competitive and that it would not move out of line with the scheme's allocated assets.

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Forward looking statements disclaimer:

This announcement in relation to Just Retirement Group plc and its subsidiaries (the 'Group') contains, and we may make other statements (verbal or otherwise) containing, forward-looking statements about the Group's current plans, goals and expectations relating to future financial conditions, performance, results, strategy and/or objectives.

Statements containing the words: 'believes', 'intends', 'expects', 'plans', 'seeks', 'targets', 'continues' and 'anticipates' or other words of similar meaning are forward-looking (although their absence does not mean that a statement is not forward-looking). Forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the Group's control. For example, certain insurance risk

disclosures are dependent on the Group's choices about assumptions and models, which by their nature are estimates. As such, although the Group believes its expectations are based on reasonable assumptions, actual future gains and losses could differ materially from those that we have estimated.

Other factors which could cause actual results to differ materially from those estimated by forward-looking statements include but are not limited to: domestic and global economic and business conditions; asset prices; market related risks such as fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the policies and actions of governmental and/or regulatory authorities, including, for example, new government initiatives related to the provision of retirement benefits or the costs of social care and the effect of the European Union's "Solvency II" requirements on the Group's capital maintenance requirements; the impact of inflation and deflation; market competition; changes in assumptions in pricing and reserving for insurance business (particularly with regard to mortality and morbidity trends, gender pricing and lapse rates); risks associated with arrangements with third parties, including joint ventures and distribution partners; inability of reinsurers to meet obligations or unavailability of reinsurance coverage; the impact of changes in capital, solvency or accounting standards, and tax and other legislation and regulations in the jurisdictions in which the Group operates.

As a result, the Group's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set out in the forward-looking statements within this announcement. The forward-looking statements only speak as at the date of this document and the Group undertakes no obligation to update or change any of the forward-looking statements contained within this announcement or any other forward-looking statements it may make. Nothing in this announcement should be construed as a profit forecast.