

JUST RETIREMENT (HOLDINGS) LIMITED

FOURTH QUARTER AND TWELVE MONTH 2009-10 NEW BUSINESS FIGURES

Just Retirement (Holdings) Limited (“the Group”) announces sales generated for the three month and twelve month periods to 30th June 2010.

- Sales of over £1 billion secured for the first time
- Twelve month Enhanced Annuity sales exceeded £200m in two quarters and Just Retirement continues to have the leading market share and estimates that it is the sixth largest provider of all annuities in the UK.
- During the fourth quarter, Enhanced annuities’ share of the total market continued to increase. This overall share remains low given our view of the potential proportion of retirees who could qualify for enhanced rates.
- In Equity Release, despite the stable market over the last 12 months, Just Retirement consolidated its position as a leading provider by generating record results for fourth quarter mortgage advances, totalling over £60m for the first time.
- Won The Financial Adviser 5 Star Awards for both annuities and equity release mortgages and was accorded the accolade of “Company of the Year”.
- In November 2009, the business was acquired for £228m by Permira Advisers LLP, which subsequently injected capital of £25m.

Rodney Cook, CEO of Just Retirement, commented:

“Despite the challenging UK market place, from both an economic and regulatory perspective, Just Retirement has continued to grow and prosper. I am intent that this should continue. We are in good shape and in good hands. Accordingly, I view the future with confidence.”

£m (unaudited)	3 months to 30/06/2010	3 months to 30/06/2009	Change %
Annuity Policies	216.7	191.2	13.3%
Equity Release Mortgage Advances	66.5	43.7	52.2%
Group Total	283.2	234.9	20.6%

£m (unaudited)	12 months to 30/06/2010	12 months to 30/06/2009	Change %
Annuity Policies	804.6	590.8	36.2%
Equity Release Mortgage Advances	197.5	162.9	21.2%
Group Total	1,002.1	753.7	33.0%

Commenting on the fourth quarter new business sales, Rodney Cook, CEO Just Retirement, said;

“The business has secured sales of over £1 billion for the first time in its history. It has maintained or enhanced its market leading positions within the markets for its two products. During the year, Just Retirement was acquired for £228m by Avalon Acquisitions Limited (“Avalon”), a company backed by funds advised by Permira Advisers LLP. Avalon subsequently injected a further £25m of capital into the business. The business won Financial Adviser 5 Star Awards for both annuities and equity release mortgages for the fifth and second time respectively and, in so doing, was accorded the accolade of “Company of the Year”. Also, Just Retirement was ranked within The Sunday Times “100 best companies to work for” on its first entry to the survey. By any measure, this has been a year of considerable accomplishment.

“Just Retirement is an annuity provider, which specialises in enhanced annuities. It is extremely pleasing to note that the business continues to lead this segment of the market, both in terms of market share and debate. In the last twelve months, Just Retirement has reported two quarters of over £200m of sales in enhanced annuities. While the fourth quarter’s result is lower than the record set in the third quarter (£238.6m), it is, nonetheless, a considerable performance. We estimate that Just Retirement remains the market leader in enhanced annuity sales and has consolidated its position as the sixth largest provider of all annuities in the UK.

“During the fourth quarter, the total UK market for annuities was relatively buoyant. Enhanced annuities’ share of the total market continued to increase but this share remains low given our view of the potential proportion of retirees who could qualify for enhanced rates. The industry has long held that 40% of retirees could qualify. I look forward to providing more detail on our own emerging research which strongly suggests that this figure could be considerably higher.

“Our competitive position within the annuity market was strong during the fourth quarter, whilst we continued to balance a competitive rate position with our longstanding commitment to profitability and capital management.

“Recent industry data reveals the overall UK market for equity release mortgages was stable during the last 12 months. Demand for this product has been constrained by a lack of awareness within its target market, reputational issues and the withdrawal of certain players. That said, Just Retirement has consolidated its position as a leading provider in this market. Despite the static nature of the overall market, the group generated record results for mortgage advances in Q4, totalling over £60m for the first time. This was as a result of Just Retirement’s competitive position and distribution reach.

“Just Retirement is committed to the UK equity release market. It continues to be a key member of Safe Home Income Plans (SHIP) and is working hard to improve the awareness and reputation of this product. In addition, the business has supported the Joseph Rowntree pilot initiative, in which three local authorities have been able to offer low initial advance products to those in need. This initiative has been a success and we are intent on extending its reach.

“Looking to the current year, our markets face challenges and opportunities in the shape of continued volatility in capital markets, the impending implementation of the Retail Distribution Review (RDR) and the continuing preparations for Solvency II. Just Retirement has always pursued a balanced investment strategy, acknowledging its competitive advantage in longevity risk assessment. We will continue to use this strategy while keenly monitoring events in the fixed interest (gilt and corporate bond) investment market. The business has actively engaged with the IFA market in terms of the impact of RDR. Finally, Just Retirement has devoted considerable resource to its compliance with Solvency II. While it is too early to comment in detail, our preparations continue to progress positively.

“Before closing, I would like to pay tribute to Mike Fuller, who retired as Chief Executive Officer on 2nd July 2010. Just Retirement’s success to date is a product of Mike’s vision and drive. The success of the business in the last 12 months is Mike’s enduring legacy and his contribution to the UK retirement market should not be underestimated. I hope that you will join me in wishing him a happy and well deserved retirement.

“I am delighted to be joining Just Retirement at such an exciting time in its development. Much has been achieved in the last 12 months but there is more to do in the coming months and years. Despite the challenging UK market place, from both an economic and regulatory perspective, Just Retirement has continued to grow and prosper. I am intent that this should continue. We are in good shape and in good hands. Accordingly, I view the future with confidence.”

Contact

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Notes to Editors

Just Retirement (Holdings) plc was founded in 2004 and listed on the Alternative Investment Market (AIM) in December 2006. In November 2009, Just Retirement was acquired for £228m by Avalon Acquisitions Limited, a company backed by funds advised by Permira. The Group provides two products to those at or in retirement; enhanced annuities and equity release mortgages.

Enhanced Annuities

Annuities are contracts offered by the Group to people at retirement (annuitants) under which the Group undertakes to make a series of payments in the future in return for the immediate payment of a lump sum to the Group by the annuitant. This lump sum is provided by the annuitant's pension fund. The level of future payments is set according to the rates of return available within the capital markets and the expected longevity of the annuitant. In 2009, the total value of the annuity market in the UK was £10.8bn (source: Association of British Insurers "ABI").

Enhanced annuities are offered to people at retirement that may not live as long as average due to lifestyle (smoking, for example) or illness. Given the impact of these factors on longevity, it is possible for providers such as Just Retirement to offer "enhanced" annuity rates to those qualifying. In 2009, the total annual value of the enhanced annuity market in the UK was £1.8bn.

Just Retirement does not provide pension fund management. As such, it can only offer annuity contracts to those utilising the Open Market Option (OMO). OMO allows pension fund holders to "shop around" for an annuity rather than take that provided by the incumbent pension fund provider. At the end of 2009, the total value of annuities bought during the year using the OMO was £5.4bn. (Source: Association of British Insurers "ABI")

Equity Release Mortgages

Equity release mortgages are advances made to homeowners in or at retirement. They fall into two main types: lifetime and reversion. Just Retirement only offers lifetime mortgages. This allows the homeowner to borrow a certain amount of capital against the value of their house. Although this advance carries a rate of interest, this is capitalised over the life of the mortgage. The loan, together with the accumulated interest, is repaid at the end of the mortgage.

The equity release market is monitored by the industry body, Safe Home Income Plans (SHIP) and advice within the market is regulated by the FSA. According to SHIP data, the total value of the UK equity release market in 2009 was approximately £950m.