

### JUST RETIREMENT REPORTS RECORD FIRST HALF SALES

- Total Group sales grew by 26% year-on-year to £446.1m
- Record enhanced annuity policy sales in first half and second quarter
  - Record equity release mortgage advances in first half
  - Further industry recognition for product and service quality

Just Retirement, the specialist UK life assurance group focusing on the provision of financial services to those at or in retirement, today announces its sales for the first half and second quarter of its financial year.

<b>£m (unaudited)</b>	<b>6 months to 31/12/2009</b>	<b>6 months to 31/12/2008</b>	<b>% Change</b>
Annuity Policies	349.3	272.1	28.4%
Equity Release Mortgage Advances	96.8	81.8	18.3%
<b>Group Total</b>	<b>446.1</b>	<b>353.9</b>	<b>26.1%</b>

<b>£m (unaudited)</b>	<b>3 months to 31/12/2009</b>	<b>3 months to 31/12/2008</b>	<b>% Change</b>
Annuity Policies	185.8	121.7	52.7%
Equity Release Mortgage Advances	46.7	48.7	-4.1%
<b>Group Total</b>	<b>232.5</b>	<b>170.4</b>	<b>36.4%</b>

#### Key highlights

- Just Retirement was acquired by Avalon Acquisitions Limited (“Avalon”) for £228m in November 2009. Avalon is backed by funds advised by Permira Advisers LLP, one of Europe’s largest private equity investors with over €20bn under management. As envisaged under the acquisition, Avalon has provided £25m of additional capital to Just Retirement.
- The Group experienced record applications for enhanced annuities in 2009 as a result of its competitive rate position, strength of product and service commitment. Current trading in enhanced annuities remains strong and Just Retirement is confident of a successful second half (to 30<sup>th</sup> June 2010).
- Equity release business continues to be strong, notwithstanding general market conditions being affected by similar factors to that of the wider mortgage market.
- Further recognition of Just Retirement’s products and service was evident during the period with both products receiving five star awards from Financial Adviser. The strength of this performance was further rewarded by Just Retirement being voted Company of the Year.

Commenting on the sales figures, Mike Fuller, CEO Just Retirement, said;

*“Just Retirement faced the challenges of the global financial crisis in 2008 and 2009 with a clear strategy. Profitability and capital were the two cornerstones of this approach. I am pleased to say that we have continued to deliver on this strategy while, at the same time, reporting very strong sales figures.*

*“Given our commitment to service, I am particularly pleased that we have once again been recognised by the industry for our performance in this area. We are intent on maintaining our high standards.*

*“We have experienced an excellent start to the year and I look forward to the next six months with considerable 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 Advisers LLP. 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 2008, the total value of the annuity market in the UK was £11.6bn (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 2008, 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 2008, the total value of annuities bought during the year using the OMO was £5.7bn.

### **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. SHIP recently announced that the total value of the UK equity release market in 2009 was approximately £950m.