

16 November 2007

Press Release: Resolution exits UK closed life fund sector

Today Resolution's Board has strongly recommended Pearl's 720 pence per share offer to its shareholders. The increase, from a proposal on 10 October 2007 of 660 pence, has been achieved against a backdrop of a significant de-rating of the UK life sector over this period.

The sale is Resolution's fifth transaction in the closed life fund sector. Since 2004, Resolution has acquired RSA Life UK (acquired for 65%¹ of Embedded Value (EV)), Swiss Life UK (76%¹ of EV), Britannic Group (reverse takeover at 88%¹ of EV), Abbey's UK Life businesses (97%¹ of EV), and has now an announced exit at 120%² of EV to Pearl and Royal London. The transaction locks in the value creation for shareholders at a price significantly in excess of that paid for primarily closed life fund businesses in the UK.

Clive Cowdery, Chairman of Resolution, said:

"Resolution's success has been achieved by combining a committed Board, management and staff, with supportive shareholders and constructive regulators. We thank them all for their contribution, which has allowed Resolution to deliver an industry solution, meeting the needs of vendors for liquidity and policyholders for stability. We also wish Pearl well in the UK closed life fund sector.

"As our staff prepare to take their valuable skills and expertise to Pearl and Royal London, I am confident of their continued success in their future careers. The focus of the Resolution team over the coming months will now be on completing this transaction."

For further information please contact:

Alex Child-Villiers, Temple Bar Advisory

Mobile: 07795 425580

Sources: ¹ Pearl Group presentation, Oct 07; ² Pearl Group RNS, 16 Nov 07