

10 November 2014

**JUST RETIREMENT GROUP PLC
INTERIM MANAGEMENT STATEMENT FOR THE QUARTER ENDING 30 SEPTEMBER 2014**

Just Retirement Group plc (“the Group”) announces its first quarter interim management statement for the period ended 30th September 2014.

Highlights:

- Total sales for the quarter 42% lower than Q1 13/14, with strong Defined Benefit de-risking (DB) progress but weak post-Budget individually underwritten annuity (IUA) volumes
- DB sales of £25m (Q1 13/14 £3.2m) were recognised during the quarter. This excludes the £75m scheme announced on 14th October, which was contracted in September but incepted on 2 October. Including this scheme would have resulted in a fall in Q1 14/15 total annuities of just 26%
- We are today announcing a further DB sale of £76m which completes later this week
- IUA sales down 59% compared to a strong Q1 13/14 comparative quarter
- Lifetime mortgage advances of £81m, down 23% on Q1 13/14 as a result of deliberate management action, with volumes being managed in line with total annuity sales
- Current sales volumes have continued in line with Q1 14/15 levels except for the increased DB sales
- Full financial year sales expectations remain intact

Rodney Cook, Chief Executive Officer of Just Retirement said:

“We believe these figures compare favourably with realistic expectations in the post-Budget world.

Our DB team continues to win new schemes, which will help us should demand for IUAs weaken further in the run up to the pension reforms in April 2015.

Our success in the DB market also demonstrates that Just Retirement retains the entrepreneurial spirit of a company currently celebrating only its 10th anniversary. This gives me confidence that our new generation of post-Budget retirement income products will contribute to revenue momentum in 2015. Our unique medical underwriting skills will be more relevant than ever to those financial advisers with a duty to ensure that their customers do not outlive their savings.

Consistent with our October statement we remain on track to meet our full year sales expectations, despite difficult market conditions, particularly for IUAs. This reflects our continuing success in the DB market, including the new deal announced today, ongoing core demand for IUA, and firm demand for lifetime mortgages.”

New business premiums	3 Months	3 Months	Change
	to 30/9/2014	to 30/9/2013	
	£m	£m	%
Individually underwritten annuities ¹	129.3	313.3	(59)
Fixed term annuities	20.2	20.4	(1)
Defined benefit solutions ²	24.8	3.2	675
Total annuities	174.3	336.9	(48)
Lifetime mortgage advances	80.8	105.1	(23)
Total new business sales	255.1	442.0	(42)

¹ Includes sales of individually underwritten and immediate needs annuities.

² A £75m DB scheme contracted in September is not included as the policy inception coincided with the receipt of assets in early October

Commentary on the quarter ending 30 September 2014

- IUA sales for Q1 14/15 of £129.3m were down 59% compared to Q1 13/14. Our performance reflects the continued market disruption caused by the pension reforms announced within the Budget. A combination of more generous trivial commutation limits and lower secured income requirements for wealthier drawdown customers has affected both ends of the market. Moreover, many in the middle ground have deferred their decision until the new regime is fully understood in April 2015.
- Fixed term annuity (FTA) volumes of £20.2m fell only 1% compared to Q1 13/14, which reflects the success of our one year FTA launched shortly after the Budget. This allows those retiring now to acquire a short term income until taking advantage of the new rules after April next year.
- The Group has continued to make good progress in the DB market, with premiums of £24.8m written in the quarter (Q1 13/14 - £3.2m). In addition, we announced a £75m transaction in early October. We can today announce another major win, this time for £76m. Even if we were to write no other DB business in Q2 14/15, our sales in the first half including these two deals would represent almost double the amount of DB sales in the whole of our previous financial year. Although this is inherently lumpy business, the pipeline remains strong.
- Lifetime mortgages of £80.8m were advanced in the quarter, a decrease of 23% on the prior year comparative period, reflecting falling annuity volumes, and therefore reduced funding.
- There are no material changes in the Group's capital position.

A conference call for analysts and investors will take place at 9.30am today.

UK FreeCall: 08003767922
US FreeCall: 18669661396
Std International Dial-In: +44 (0) 2071 928000
Conference ID: **27991547**

Enquiries

Investors / Analysts

James Pearce, Director of Investor Relations
Telephone: +44 (0) 7715 085 099
james.pearce@justretirement.com

Media

Stephen Lowe, Group External Affairs Director
Telephone: +44 (0) 1737 827 301
press.office@justretirement.com

Temple Bar Advisory

Alex Child-Villiers
William Barker
Telephone: +44 (0) 20 7002 1080

A copy of this announcement will be available on Just Retirement's website www.justretirementgroup.com

JUST RETIREMENT GROUP PLC

GROUP COMMUNICATIONS

Vale House, Roebuck Close
Bancroft Road, Reigate
Surrey RH2 7RU

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.