

12th May 2015**JUST RETIREMENT GROUP PLC
NEW BUSINESS UPDATE FOR THE NINE MONTHS ENDING 31 MARCH 2015**

Just Retirement Group plc announces its new business update for the nine month period ending 31st March 2015.

Highlights:

- Total sales in the nine months to 31st March decreased by 22% against a largely pre-Budget comparative period
- Total annuity sales were down 15% compared to the nine months ended 31st March 2014. As expected, this was driven by weaker individually underwritten annuity (IUA) volumes (59% lower), largely offset by a more than tenfold increase in Defined Benefit de-risking (DB) sales
- Lifetime mortgage (LTM) advances were 41% lower than in the comparative period, but were in line with our target of 25% of total annuity sales
- Launched modern Guaranteed Income for Life products, a new Flexible Pension Plan on a leading drawdown platform and a regulated simplified advice service
- The Financial Conduct Authority's final report proposing reforms to the retirement income market should encourage more consumers to shop around, potentially enhancing our market opportunity

Rodney Cook, Chief Executive Officer of Just Retirement said:

"The period before the introduction of the new pension freedoms was always likely to be tough for our industry, and so it has proved. Under the circumstances, I believe the 15% decline in total annuity sales which we are announcing today is a creditable performance.

In Q3 our DB team delivered its second highest quarterly sales volume so far, and the pipeline remains strong. I believe medical underwriting is progressively becoming the default choice for employee benefit consultants seeking best value for the trustees of smaller schemes. We expect to deliver further growth in this area in coming years.

I am delighted that we have already launched products which allow customers significantly greater flexibility to manage and withdraw their retirement savings in a way that more closely fits their needs and preferences. It is too early to say how the Budget reforms introduced last month will affect demand for Guaranteed Income for Life products.

I am particularly pleased we have contracted with Phoenix Group to offer a simplified advice service to their retiring customers. The introduction of this innovative new service, targeted at middle Britain retirees, will help to fill the advice gap for those people with modest pension savings.

We expect the General Election result will see a continuation of Government policy in our core markets. Moreover, we expect that HM Treasury will continue to work towards a secondary annuity market, which we believe will create new opportunities for Just Retirement.

I am delighted to announce that we have made significant further progress in our risk management this year, with the full implementation of PrognoSys™ for pricing as well as reserving. This has also enabled us to implement new reinsurance arrangements, with SCOR joining our panel, and we look forward to working with them.

I remain confident in the future of our Group, underpinned by the medical underwriting expertise which is currently serving us well in DB de-risking markets. We expect our IP will once again drive progress in retail markets, particularly once the reforms have been absorbed. We remain comfortable with full year sales expectations."

New Business Premiums

	3 months to 31/03/15	3 months to 31/03/14	change	9 months to 31/03/15	9 months to 31/03/14	change
	£m	£m	%	£m	£m	%
IUA ¹	109.1	287.5	(62)	380.3	933.3	(59)
FTA ²	11.0	13.6	(19)	46.3	50.2	(8)
DB	93.3	37.0	N/M	448.0	42.4	N/M
Total annuities	213.4	338.1	(37)	874.6	1,025.9	(15)
LTM	62.7	159.2	(61)	221.7	377.5 ³	(41)
Total	276.1	497.3	(45)	1,096.3	1,403.4	(22)

1 Includes sales of individually underwritten and long term care annuities

3 Includes bulk mortgage deal of £59.6m in 2014

2 FTA – Fixed Term Annuities

N/M - not meaningful

Commentary on the period ending 31 March 2015

- The Group has made further strong progress in the DB market in the nine months ended 31st March, with premiums of £448m (9M 13/14: £42m). This represents almost five times the volume written during the whole of our previous financial year. Although this is inherently lumpy business, the pipeline remains strong
- In contrast, IUA sales for 9M 14/15 of £380m were down 59% versus the comparative period. This decline is in line with the falls reported in the first half of our financial year, driven by the Budget reforms of March 2014
- Lifetime mortgages of £222m were advanced in the first three quarters. Although this represents a decrease of 41% compared to same period in the prior year, this was primarily because we managed volumes down to our 25% of total annuities target level. Moreover, the prior year comparative included a £60m wholesale transaction, without which the decline was 30%

Enquiries

Investors / Analysts

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

Media

Stephen Lowe,
Group Communications 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

FINANCIAL CALENDAR:

Date

Payment of interim dividend	14 May 2015
Preliminary Results for the year ended 30 June 2015	17 September 2015

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.