

21 March 2016

Pearl Group Holdings (No.1) Limited (formerly Resolution plc) to redeem residual £7,383,000 (prior to application of the Pool Factor) of its £500,000,000 6.5864% Fixed/Floating Rate Perpetual Reset Capital Securities

Pearl Group Holdings (No.1) Limited (the “**Issuer**”) announces that it has given notice to the holders of the outstanding £7,383,000 principal amount (prior to application of the Pool Factor) of its £500,000,000 6.5864% Fixed/Floating Rate Perpetual Reset Capital Securities (ISIN: XS0235245205) (the “**Notes**”) that it will redeem the Notes in full on 25 April 2016 (i.e. the First Reset Date) at their principal amount together with accrued interest (in each case as adjusted downwards by application of the Pool Factor) to (but excluding) the First Reset Date.

The “**Pool Factor**” means the 85 per cent. pool factor applied to Notes in accordance with the terms and conditions of the Notes (as amended by an Extraordinary Resolution of Noteholders passed on 22 April 2010). The effect of applying the Pool Factor is that the principal amount outstanding under each of the Notes is treated as reduced by 15 per cent. and the obligations of the Issuer to make payments of principal and interest are calculated by the principal amount so reduced by the Pool Factor.

In addition, the Issuer will apply to the Financial Conduct Authority, in its capacity as United Kingdom Listing Authority, to cancel the listing of the Notes with effect from the business day following the First Reset Date.

Capitalised terms not otherwise defined herein have the meanings given to them in the terms and conditions of the Notes.

-ENDS-

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