



FRIENDS PROVIDENT

Friends Provident Life and Pensions Limited

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11 August 2009

Today we have announced that the Board of Friends Provident has agreed an acquisition offer from Resolution on terms that it considers to be fair and reasonable.

This is a real opportunity for Friends Provident and Resolution to pool their talents and capabilities in leading the anticipated consolidation in the life industry while continuing to drive forward our current strategy.

Friends Provident will continue to operate under its current name and operationally will be led by our current management team under chief executive Trevor Matthews and chief financial officer Evelyn Bourke.

The actions we have taken since the strategic review are transforming our business and, as a consequence, Friends Provident brings to this deal an attractive franchise in the UK and globally, an experienced management team, efficient and scalable systems, a strong capital position and a good fit with future possible acquisitions.

We remain a financially strong organisation with our Insurance Groups Directive surplus estimated at £0.9 billion at 31 July 2009.

From a new business perspective it is very much business as usual. We value the strong relationships we have developed with advisers in all the territories in which we operate as well as the reputation we have developed for innovative and compelling solutions to meet customers' financial needs. We continue to deliver first class service and a culture that ensures all customers are treated fairly.

You are important to Friends Provident and we want to ensure that we keep you fully briefed on the wider developments for the new Group.

We look forward to a continued strong partnership and working relationship.

Yours sincerely

Rocco Sepe

Managing Director, International

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