



PENSION CORPORATION IN NEGOTIATIONS WITH LONG-TERM INVESTOR

London, 27 May, 2011 - Pension Corporation, a leading provider of risk management solutions to defined benefit pension funds, is pleased to confirm that it is in exclusive negotiations with Reinet Fund S.C.A., F.I.S., (“Reinet”) a specialised investment fund incorporated in Luxembourg, in relation to a potential investment of £400m of new capital in the pension insurance business of Pension Corporation.

Reinet announced to its shareholders today:

“Reinet Fund is exploring a number of investment opportunities. One of these opportunities is an investment in the pension insurance business of Pension Corporation. Pension Corporation is one of the UK's leading providers of risk management solutions to defined benefit pension funds. It has transacted both the UK's largest corporate and the first public sector backed pension insurance buyouts. Reinet Fund is in exclusive negotiations with Pension Corporation and its key stakeholders for a transaction involving the re-organisation of its capital structure and an investment by Reinet Fund of approximately £400 million through which it would become a principal shareholder in the business. Completion of any transaction is subject to the successful conclusion of these negotiations and to regulatory and other approvals. Further information regarding the status and details of this potential investment will be communicated to our shareholders at the appropriate time.”

Sir Mark Weinberg, Chairman of Pension Insurance Corporation Holdings, said: “As a stable long-term investor, we believe that the Reinet proposal will be attractive for the current and future customers of Pension Insurance Corporation.

“This investment would augment our existing capital resources, enabling PIC to maintain a market leading position in what we believe is a rapidly growing market for pension insurance and risk transfer.”

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About Reinet

Reinet Fund S.C.A., F.I.S. (“Reinet Fund”) is a specialised investment fund incorporated in Luxembourg. At 31 March 2011, its net asset value was in excess of €2,700 million. Through Reinet Investments S.C.A., a securitisation vehicle also incorporated in Luxembourg, shareholders may participate indirectly in the portfolio of assets held by Reinet Fund. Reinet Investments S.C.A. shares are listed on the Luxembourg Stock Exchange and Reinet South African Depository Receipts are listed in Johannesburg.

About Pension Corporation

Pension Corporation is a leading provider of risk management solutions to the trustees and sponsors of defined benefit pension funds. Its FSA authorised and regulated insurance company, Pension Insurance Corporation (“PIC”), brings safety and security to scheme members’ benefits through innovative, tailored solutions. PIC has over £4bn in assets and has insured more than 50,000 pension fund members. Its solutions include pension insurance buyout, pension insurance buy-in and longevity risk insurance. It has transacted both the UK’s largest corporate and the first public sector backed pension insurance buyouts. Other clients include FTSE 100 companies and several multinationals. PIC is proud to work with pension fund trustees to maximise member benefits. For further information please visit www.pensioncorporation.com