

## NEWS RELEASE

For immediate release  
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### **Equitable Life seeks policyholders' approval for transfer of £1.8 billion of with-profits annuities to Prudential**

Equitable Life Assurance Society ("Equitable Life" or "the Society") is writing to all policyholders to update them on the transfer of £1.8 billion\* of with-profits annuity policies to Prudential Assurance Company Limited ("Prudential").

Over the next week, nearly 400,000 policyholders will receive detailed information on the transaction ahead of an Extraordinary General Meeting, which is scheduled for Friday 26 October. All voting members of the Society will have the opportunity to cast their vote on the proposed transfer either at the EGM or by post. The deadline for postal voting is Wednesday 24 October.

The High Court will also be asked to approve the transfer on 28 November 2007 and, if approved, the transfer is due to complete on 31 December 2007.

#### **Overview of the transaction**

- Equitable Life will transfer to Prudential all of its with-profits annuity policies, representing about 20% of the with-profits fund with an estimated value of approximately £1.8 billion
- The income payments from many of Equitable Life's with-profits annuity policies reduce each year. The proposed transfer to Prudential will substantially improve both bonus earning prospects and investment flexibility for the Society's with-profits annuitants
- The Society's with-profits annuities are a relatively unusual product and only a few third parties such as Prudential currently have the experience and capability to operate them. The strategic opportunities for the Society will therefore be significantly improved once the transfer is completed
- The transaction will see approximately 62,000 with-profits annuities transferred into an actively managed fund which has greater bonus earning potential than the current Equitable Life fund
- Prudential has committed to maintain expense charges for with-profits annuities at the level currently levied by Equitable Life

The Board of Equitable Life strongly recommends that policyholders vote in favour of the proposed transfer.

**Vanni Treves, Equitable Life's Chairman, said:** "It is time for the Society's members to have their say on the transfer of with-profits annuity policies to Prudential. This transaction represents a critical milestone in the recent development of the Society and I very much hope that policyholders will decide to support it."

**Charles Thomson, Chief Executive of Equitable Life, said:** "We firmly believe that the transfer will benefit all policyholders and that is why the Board is recommending that they vote in favour of it. The policyholders that are transferring will become part of an actively managed fund, which is one of the largest and strongest in the UK. At the same time, the transfer will simplify the structure of the Society, substantially improving the prospects of finding a strategic solution for the remaining policyholders."

The documents that are being sent to policyholders will be available online on the Equitable Life website, [www.equitable.co.uk](http://www.equitable.co.uk), from midday on Friday 28 September.

- Ends -

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**Note to editors:**

\* £1.8 billion valued as at 31 December 2006.