

**NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR IN OR INTO THE UNITED STATES  
OR TO ANY PERSON LOCATED IN THE REPUBLIC OF ITALY**

5 January 2010

**PEARL GROUP ANNOUNCES AN INVITATION BY PEARL GROUP HOLDINGS (NO.1)  
LIMITED (THE "COMPANY") TO THE HOLDERS OF ITS OUTSTANDING £500,000,000  
6.5864 PER CENT. FIXED/FLOATING RATE PERPETUAL RESET CAPITAL SECURITIES  
(THE "NOTES")  
TO SUBMIT OFFERS TO PEARL GROUP TO EXCHANGE NOTES  
ALONG WITH A SOLICITATION OF CONSENTS  
BY THE COMPANY TO PROPOSED AMENDMENTS OF THE NOTES**

The Company has today invited holders of its outstanding £500,000,000 6.5864 per cent. Fixed/Floating Rate Perpetual Reset Capital Securities to submit offers to Pearl Group (incorporated in Cayman Islands with registered number 202172) to exchange their Notes (the "Exchange Offer") for zero coupon senior non-transferable registered notes due 17 December 2010 issued by Pearl Group (the "Registered Notes"). The maximum aggregate nominal amount of Notes validly offered for exchange that Pearl Group may accept pursuant to the Exchange Offer is up to £100,000,000.

Concurrently with the Exchange Offer, the Company is (i) soliciting consents from Noteholders for the adoption of certain proposed amendments to the Notes (the "Proposed Amendments") as described herein and (ii) convening a Meeting of Noteholders at 10am (London time) on 27 January 2010, at which the Extraordinary Resolution to approve the Proposed Amendments and their implementation will be considered and, if thought fit, passed.

Pearl Group CEO, Jonathan Moss said:

"Pearl Group is emerging from last year's market dislocation with a strengthened capital position, new ownership and a new Chairman in Ron Sandler. We are Euronext listed and have a secondary listing on the LSE. We have a compelling business model as the leading consolidator of run-off life assurance books and we have ambitions to move to a primary listing on the LSE and to acquire new books of business in due course. We are very keen to resolve all outstanding issues with our Tier 1 bondholders and have held extensive discussions with bondholder representatives over the last few months, which have been helpful to us in understanding their thinking and which we hope has helped bondholder representatives to understand our position.

These proposals represent a good and fair offer to our Tier 1 bondholders and we believe that they meet our obligation to respect the interests of all stakeholders. We very much hope that these proposals will be accepted and that we will be able to move forward with these issues fully resolved."

A Noteholder may consent to the Proposed Amendments without submitting its Notes for exchange pursuant to the Exchange Offer. However, a Noteholder validly tendering Notes (and not revoking its consent in the limited circumstances in which such revocation is permitted) will be consenting to the Proposed Amendments irrespective of whether or not its offer is accepted in full or in part by Pearl Group. Holders of the Notes should note that the Exchange Offer is not conditional on the passing of the Extraordinary Resolution at the Meeting. The Consent Solicitation is not conditional on Noteholders tendering their Notes to Pearl Group under the Exchange Offer.

The Exchange Offer and Consent Solicitation are made on the terms and subject to the conditions set out in the Exchange Offer and Consent Solicitation Memorandum dated 5 January 2010 (the "Exchange Offer and Consent Solicitation Memorandum").

## **RATIONALE FOR THE EXCHANGE OFFER**

The Exchange Offer is being presented to Noteholders who would like an opportunity to exit the Notes as soon as possible. The Company believes that some Noteholders may wish to receive short dated notes with a fixed maturity in return for their Notes rather than remain holders of the Notes following the Consent Solicitation. The Exchange Offer provides such Noteholders with an opportunity to exchange their Notes into Registered Notes which offer the ability to receive cash in less than 12 months by virtue of the redemption of the Registered Notes, subject to the optional redemption provisions contained in the terms and conditions of the Registered Notes.

## **THE EXCHANGE OFFER**

The Existing Notes and the new Registered Notes for which they may be exchanged are comprised as follows:

<b>Description of the Existing Notes</b>	<b>Common Code/ISIN</b>	<b>Exchange Price</b>	<b>Exchange Ratio</b>
£500,000,000 6.5864 per cent. Fixed/Floating Rate Perpetual Reset Capital Securities	023524520/ XS0235245205	£0.45 per £1.00	45:100
<b>Description of the Registered Notes</b>	<b>Maximum New Issue Size</b>	<b>New Issue Price</b>	<b>New Issue Coupon</b>
Zero coupon senior non-transferable registered notes due 17 December 2010	Up to £45,000,000	100 per cent.	Zero Coupon

The Company, subject to compliance with local securities laws, invites all holders of the Company's Notes to offer to Pearl Group to exchange such Notes for Registered Notes. However, Pearl Group will only accept Notes up to a maximum aggregate nominal amount of up to £100,000,000 (the "Maximum Acceptance Amount"). Pearl Group reserves the right to decrease the Maximum Acceptance Amount in respect of the Exchange Offer.

If the aggregate nominal amount of Notes validly offered for exchange pursuant to Exchange and Consent Instructions is greater than the Maximum Acceptance Amount, Pearl Group intends to accept such Notes for exchange on a *pro rata* basis such that the aggregate nominal amount of such Notes accepted for exchange is no greater than such Maximum Acceptance Amount.

The Registered Notes New Issue Price is 100 per cent. of the principal amount of Registered Notes and they bear zero interest.

## **THE CONSENT SOLICITATION**

## **RATIONALE FOR THE CONSENT SOLICITATION**

The Consent Solicitation is being offered to give Noteholders the enhanced protections of an amended alternative coupon satisfaction mechanism ("ACSM") operating at the Company and the Pearl Group levels and a dividend and capital restriction also applying at the Company and Pearl Group levels (each as set out in more detail in the Exchange Offer and Consent Solicitation Memorandum). In addition, Noteholders are being asked to consent to a reduction in the principal amount of the Notes of 25 per cent. and the irrevocable waiver of the Deferred Coupon and certain other matters as set out in the Exchange Offer and Consent Solicitation Memorandum.

Concurrently with the Exchange Offer, the Company is seeking the consent of the holders of the Notes for (i) the adoption of the Proposed Amendments to the terms and conditions of the Notes which include, without limitation, (a) amending the ACSM so that it operates at both the Company and the Pearl Group levels, (b) amending the dividend and capital restriction so that it operates at the Company and the Pearl Group levels, (c) the pro rata reduction of the outstanding principal amount of the Notes from £500,000,000 to £375,000,000, and (d) the scheduled Coupon Payment for April 2010 to be calculated by reference to the reduced principal amount for the entire Coupon Period applicable to that Coupon Payment; (ii) the execution of the Supplemental Trust Deed, the Calculation Agency Agreement and Paying Agency Agreement to reflect the Proposed Amendments if approved; (iii) the authorisation and instruction of the Trustee to grant an irrevocable waiver of any and all (a) Deferred Coupon Payments outstanding at the date of the Extraordinary Resolution and (b) breaches of the obligations in clause 7.1.9(a) of the Existing Supplemental Trust Deed and condition 17 of the Conditions to maintain a calculation agent existing as at the date the Proposed Amendments become effective, and (iv) to consent to the Company issuing the Balancing Instrument (to retain the Company's regulatory capital position).

A meeting of the holders of the Notes is being convened for the purpose of considering and, if thought fit, passing an Extraordinary Resolution relating to the Proposed Amendments. The Meeting will be held at 10am (London time) on 27 January 2010 at the offices of Clifford Chance LLP, 10 Upper Bank Street, London E14 5JJ.

Under no circumstances, will the Proposed Amendments be effected with respect to the Conditions unless the holders of not less than three-quarters of votes cast at the Meeting of Noteholders (the "Meeting") at which a valid quorum is present have consented to the Proposed Amendments. Holders of the Notes that validly tender their Notes for exchange into the Exchange Offer will be consenting to the Proposed Amendments.

The Exchange Offer is not conditional on the passing of the Extraordinary Resolution. The Consent Solicitation is not dependent on Noteholders tendering any Notes to Pearl Group under the Exchange Offer. However, a Noteholder validly tendering (and not validly revoking in the limited circumstances in which such revocation is permitted) Notes will be consenting to the Proposed Amendments.

## **PARTICIPATING IN THE EXCHANGE AND/OR CONSENT SOLICITATION**

To offer Notes for exchange pursuant to the Exchange Offer and to vote in favour of the Proposed Amendments, a Noteholder should deliver, or arrange to have delivered on its behalf, via the relevant Clearing System and in accordance with the requirements of such Clearing System, a valid Exchange and Consent Instruction that is received by the Exchange Agent by the Exchange Offer Deadline.

To vote on the Proposed Amendments only (without tendering Notes into the Exchange Offer), a Noteholder should either (i) deliver, or arrange to have delivered on its behalf, via the relevant Clearing System and in accordance with the requirements of such Clearing System, a valid Consent Solicitation Voting Instruction that is received by the Tabulation Agent by the Consent Solicitation Deadline or (ii) obtain a Voting Certificate from a Paying Agent and attend in person or deliver a Voting Certificate to the person whom it wishes to attend on its behalf.

*Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would require to receive instructions to participate in, or (in the circumstances in which revocation is permitted) revoke their instruction to participate in, the Exchange Offer and/or the Consent Solicitation in order to meet the deadlines specified in the Exchange Offer and Consent Solicitation Memorandum. **The deadlines set by any such intermediary and each Clearing System for the submission and withdrawal of Exchange and Consent Instructions will be earlier than the relevant deadlines specified below.***

## EXPECTED TIMETABLE OF EVENTS

The times and dates below are indicative only and are subject to extension or modification. All times are London time.

Events	Times and Dates
<b><i>Commencement of the Exchange Offer and Consent Solicitation</i></b>	
Exchange Offer and Consent Solicitation announced.	5 January 2010
Exchange Offer and Consent Solicitation Memorandum available from the Dealer Managers, the Exchange Agent and the Tabulation Agent.	5 January 2010
Notice of Exchange Offer and Consent Solicitation submitted to the Clearing Systems and published via RNS, a Notifying News Service.	5 January 2010
<b><i>Expiration of Exchange Offer</i></b>	
Deadline for receipt of Exchange and Consent Instructions by the Exchange Agent via the Clearing Systems.	4pm (London Time) on 15 January 2010
<b><i>Consent Solicitation Deadline for submission of Consent Solicitation Voting Instructions</i></b>	
Deadline for receipt of Consent Solicitation Voting Instructions by the Tabulation Agent via the Clearing Systems.	10 am (London time) 25 January 2010
<b><i>Meeting of Noteholders</i></b>	
	10 am (London time) on 27 January 2010
<b><i>Announcement of Exchange Offer Results</i></b>	
Announcement of decision by Pearl Group whether to accept valid offers of Notes for exchange pursuant to the Exchange Offer and, if so, (i) the final aggregate nominal amount of (a) Notes accepted for exchange and details of any <i>pro rata</i> allocations and (b) Registered Notes to be issued and (ii) any Cash Rounding Amount (if applicable).	At or around 4pm (London time) on 27 January 2010 or earlier at the discretion of Pearl Group
<b><i>Announcement of Consent Solicitation Results</i></b>	
Announcement by the Company of the results of the Consent Solicitation and notice of results of the Meeting or notice of any adjourned meeting through the relevant Clearing Systems.	28 January 2010 or earlier at the discretion of the Company but only following the end of the Meeting
<b><i>Settlement Date</i></b>	
Expected (i) settlement date for Exchange Offer, including issuance and delivery of Registered Notes in exchange for Notes validly offered for exchange by a Noteholder and accepted by Pearl Group and payment of any Cash Rounding Amount (if applicable).	28 January 2010
<b><i>Amendment Effective Date</i></b>	
Subject to the Extraordinary Resolution being passed at the Meeting, execution of the Supplement Trust Deed and other necessary documentation.	28 January 2010

## GENERAL

The Exchange Offer and Consent Solicitation are made on the terms and subject to the conditions as further described in the Exchange Offer and Consent Solicitation Memorandum.

Eligible Noteholders are advised to read carefully the Exchange Offer and Consent Solicitation Memorandum for full details of and information on the procedures for participating in the Exchange Offer and/or Consent Solicitation.

**The Exchange Offer is not being made in the United States or Italy or to any U.S. person or to any person located in Italy and is also restricted in other jurisdictions, as more fully described below.**

Capitalised terms used and not otherwise defined in this announcement have the meaning given in the Exchange Offer and Consent Solicitation Memorandum.

Pearl Group and/or the Company may, in their sole discretion, extend, re-open, amend or waive any condition of or terminate the Exchange Offer and/or Consent Solicitation at any time (subject to applicable law and as provided in the Exchange Offer and Consent Solicitation Memorandum). Details of any such extension, re-opening, amendment, waiver or termination will be announced as provided in the Exchange Offer and Consent Solicitation Memorandum as soon as reasonably practicable after the relevant decision is made.

Requests for information in relation to the Exchange Offer and Consent Solicitation Memorandum should be directed to the Dealer Managers being, The Royal Bank of Scotland plc and UBS Limited.

Requests for information in relation to the procedures for offering to exchange Notes, to participate in the Consent Solicitation and for any documents or materials relating to the Exchange Offer and/or Consent Solicitation should be directed to the Exchange Agent and Tabulation Agent.

## **FOR FURTHER INFORMATION**

Requests for information in relation to the Exchange Offer and Consent Solicitation should be directed to:

### **THE DEALER MANAGERS**

**The Royal Bank of Scotland plc**  
135 Bishopsgate  
London EC2M 3UR  
United Kingdom  
Tel: +44 20 7085 8056  
Attention: Andrew Burton  
Email: liabilitymanagement@rbs.com

**UBS Limited**  
1 Finsbury Avenue  
London EC2M 2PF  
United Kingdom  
Tel: +44 (0) 20 7568 6185  
Attention: Michael Zentz  
Email: Michael.Zentz@ubs.com

### **EXCHANGE AGENT AND TABULATION AGENT**

**Lucid Issuer Services Limited**  
Leroy House  
436 Essex Road  
London N1 3QP  
United Kingdom  
Tel: + 44 20 7704 0880  
Attention: pearl@lucid-is.com  
Email: Lee Pellicci

## **DISCLAIMER**

This announcement must be read in conjunction with the Exchange Offer and Consent Solicitation Memorandum. The announcement and the Exchange Offer and Consent Solicitation Memorandum contain important information which should be read carefully before any decision is made with respect to the Exchange Offer and Consent Solicitation. If any Noteholder is in any doubt as to the action it should take, it is recommended to seek its own financial advice, including in respect of any tax

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consequences, immediately from its stockbroker, bank manager, solicitor, accountant or other independent financial adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to offer Notes for exchange pursuant to the Exchange Offer and/or participate in the Consent Solicitation. None of UBS Limited as Lead Dealer Manager, or The Royal Bank of Scotland plc as Dealer Manager, Lucid Issuer Services Limited as Exchange Agent and Tabulation Agent, Computershare Investor Services PLC as Registrar or HSBC Trustee (C.I.) Limited as Trustee of the Notes makes any recommendation as to whether Noteholders should offer Notes for exchange or consent to the Proposed Amendments.

For the avoidance of doubt, the invitation by the Company to Noteholders contained within the Exchange Offer and Consent Solicitation is an invitation to treat by the Company, and any references to any offer or invitation being made by the Company under or in respect of the Exchange Offer shall be construed accordingly.

This announcement and the Exchange Offer and Consent Solicitation Memorandum do not constitute an invitation to participate in the Exchange Offer and/or Consent Solicitation in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such invitation under applicable securities laws. The distribution of the Exchange Offer and Consent Solicitation Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession the Exchange Offer and Consent Solicitation Memorandum comes are required by each of Pearl Group, the Company, the Dealer Managers, the Exchange Agent and the Tabulation Agent to inform themselves about, and to observe, any such restrictions.

No action has been or will be taken in any jurisdiction by Pearl Group, the Company, the Dealer Managers or the Exchange Agent in relation to the Exchange Offer that would permit a public offering of securities.

## **RESTRICTIONS**

*The Exchange Offer and Consent Solicitation Memorandum does not constitute an invitation to participate in the Exchange Offer and/or Consent Solicitation in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such invitation under applicable securities laws. The distribution of the Exchange Offer and Consent Solicitation Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this Memorandum comes are required by each of Pearl Group, the Company, the Dealer Managers, the Exchange Agent and the Tabulation Agent to inform themselves about, and to observe, any such restrictions.*

*No action has been or will be taken in any jurisdiction by Pearl Group, the Company, the Dealer Managers or the Exchange Agent in relation to the Exchange Offer that would permit a public offering of securities.*

## **United States**

The Exchange Offer is not being made and will not be made directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States or to, or for the account or benefit of, any U.S. person (within the meaning of Regulation S under the Securities Act). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone and the Internet. Accordingly, copies of the Exchange Offer and Consent Solicitation Memorandum and any other documents or materials relating to the Exchange Offer are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded in or into the United States or to U.S. persons and Notes cannot be offered for exchange in the Exchange Offer by any such use, means, instruments or

facilities or from within the United States or by U.S. persons. Any purported offer of Notes for exchange resulting directly or indirectly from a violation of these restrictions will be invalid and offers of Notes for exchange made by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a nominee giving instructions from within the United States or any U.S. person will not be accepted.

The Exchange Offer and Consent Solicitation Memorandum is not an offer of securities for sale in the United States or to U.S. persons. Securities may not be offered or sold in the United States absent registration or an exemption from registration. The Registered Notes have not been, and will not be, registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons. The purpose of the Exchange Offer and Consent Solicitation Memorandum is limited to the Exchange Offer and Consent Solicitation and the Exchange Offer and Consent Solicitation Memorandum may not be sent or given to a person in the United States or to a U.S. person.

Each Noteholder participating in the Exchange Offer will represent that it is not located in the United States and is not participating in the Exchange Offer from the United States and is not a U.S. person or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Exchange Offer from the United States and is not a U.S. person. For the purposes of this and the above two paragraphs, "United States" means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

## **Canada**

The Exchange Offer constitutes an exempt offering in each of the provinces and territories of Canada and accordingly is made in Canada only to (a) "accredited investors" as defined in National Instrument 45-106 – Prospectus and Registration Exemptions, or (b) Noteholders tendering Notes having an aggregate principal amount in excess of Cdn.\$150,000 to the Exchange Offer.

Each Noteholder tendering to the Exchange Offer who is resident in one of the provinces or territories of Canada will be deemed to represent and warrant to Pearl Group that it:

1. acknowledges that the Registered Notes are being distributed in Canada on a private placement basis only and agrees not to sell the Registered Notes except in accordance with any applicable Canadian resale restrictions;
2. if not an individual or an investment fund, had a pre-existing purpose and was not established solely or primarily for the purpose of acquiring the Registered Notes, in reliance on an exemption from applicable prospectus requirements in the Canadian provinces or territories; and
3. is (a) an "accredited investor" as defined in National Instrument 45-106 – Prospectus and Registration Exemptions, acquiring the Registered Notes as principal or (b) tendering bonds having an aggregate principal amount in excess of Cdn.\$150,000 to the Exchange Offer.

Canadian resident entities relying on the "accredited investor" exemption described above must complete and submit to Pearl Group the Certificate of Accredited Investor distributed with the Exchange Offer and Consent Solicitation Memorandum in order to validly tender Notes to the Exchange Offer. Pearl Group shall have sole discretion to accept or reject completed Certificates of Accredited Investor.

No representation or warranty is made as to the tax consequences to a Canadian resident of the Exchange Offer. Canadian residents are advised that acceptance of the Exchange Offer may give rise to particular tax consequences affecting them. Accordingly, Canadian residents are strongly encouraged to consult with their tax advisers prior to accepting the Exchange Offer.

#### *Personal Information*

In tendering to the Exchange Offer, each Noteholder who is resident in one of the provinces or territories of Canada acknowledges that Pearl Group and its respective agents and advisers may each collect, use and disclose its name and other specified personally identifiable information (the "Information"), including the principal amount of Registered Notes that it will receive for purposes of meeting legal, regulatory and audit requirements and as otherwise permitted or required by law or regulation. The Noteholder consents to the disclosure of that information.

In tendering to the Exchange Offer, each Noteholder acknowledges (A) that Information concerning the Noteholder will be disclosed to the relevant Canadian securities regulatory authorities, including the Ontario Securities Commission, and may become available to the public in accordance with the requirements of applicable securities and freedom of information laws and the Noteholder consents to the disclosure of the Information; (B) is being collected indirectly by the applicable Canadian securities regulatory authority under the authority granted to it in securities legislation; (C) is being collected for the purposes of the administration and enforcement of the applicable Canadian securities legislation; and (D) the Noteholder shall be deemed to have authorized such indirect collection of personal information by the relevant Canadian securities regulatory authorities. Questions about such indirect collection of Information by the Ontario Securities Commission should be directed to the Administrative Assistant to the Director of Corporate Finance, Ontario Securities Commission, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8 or to the following telephone number (416) 593-8086.

#### *Enforcement of Legal Rights*

Each such Noteholder acknowledges that Pearl Group is organized under the laws of Cayman Islands. Pearl Group's directors and officers are located outside of Canada and, as a result, it may not be possible for Noteholders to effect service of process within Canada upon Pearl Group or such persons. All or a substantial portion of the assets of Pearl Group and such persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against Pearl Group or such persons in Canada or to enforce a judgment obtained in Canadian courts against Pearl Group or such persons outside of Canada.

#### **United Kingdom**

The communication of the Exchange Offer and Consent Solicitation Memorandum and any other documents or materials relating to the Exchange Offer and Consent Solicitation is not being made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is being made pursuant to Article 42 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order").

#### **Belgium**

The Exchange Offer and Consent Solicitation Memorandum has not been submitted for approval to the Belgian Banking, Finance and Insurance Commission and, accordingly, the Exchange Offer may



not be made in Belgium by way of a public offering, as defined for the purposes of the law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets.

#### France

The Exchange Offer is not being made, directly or indirectly, to the public in the Republic of France ("**France**") within the meaning of Article L.411-1 of the French Code Monétaire et Financier. Neither the Exchange Offer and Consent Solicitation Memorandum nor any other document or material relating to the Exchange Offer has been or shall be distributed, directly or indirectly, to the public in France. The Exchange Offer and Consent Solicitation Memorandum has not been submitted for clearance to the Autorité des Marchés Financiers. The Exchange Offer is made only to qualified investors (Investisseurs Qualifiés) as defined in, and in accordance with, Articles L.411-2 and D.411-1 to D.411.3 of the French Code Monétaire et Financier, acting for their own account, except as otherwise stated under French laws and regulations.

#### Italy

None of the Exchange Offer, the Exchange Offer and Consent Solicitation Memorandum or any other documents or materials relating to the Exchange Offer have been or will be submitted to the clearance procedure of the Commissione Nazionale per le Società e la Borsa ("CONSOB") pursuant to Italian laws and regulations, and the Exchange Offer is not being made, and will not be made, directly or indirectly, in or into the Republic of Italy ("Italy") as a public offer (as defined in article 1, paragraph 1, letter v) of the Legislative Decree No. 58 of February 24, 1998). Accordingly, Noteholders are hereby notified that the Exchange Offer is not intended to be addressed, the Registered Notes may not be offered, sold or delivered, and neither the Exchange Offer and Consent Solicitation Memorandum nor any other documents or materials relating to the Exchange Offer, the Notes or the Registered Notes has been prepared in order to be sent, by any means, distributed or otherwise made available, as part of the Exchange Offer, to any person in Italy.

Notwithstanding the above, certain pre-identified Italian investors, whose number is fewer than 100, in accordance with article 1, paragraph 1, letter v, of the Legislative Decree No. 58 of 24 February 1998, can adhere to the Exchange Offer (the "Permitted Italian Investors").

#### Switzerland

The Exchange Offer and Consent Solicitation Memorandum relating to the Registered Notes does not constitute an issue prospectus pursuant to Art. 652a or Art. 1156 of the Swiss Code of Obligations and may not comply with the Directive for Notes of Foreign Borrowers of the Swiss Bankers Association. The Notes may not be listed on the SIX Swiss Exchange and, therefore, the Exchange Offer and Consent Solicitation Memorandum may not comply with the disclosure standards of the listing rules of the SIX Swiss Exchange. Accordingly, the Registered Notes may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors.

#### General

The Exchange Offer and Consent Solicitation Memorandum does not constitute an offer to sell or buy or a solicitation of an offer to sell or buy the Notes and/or Registered Notes, as applicable, and offers of Notes for exchange in the Exchange Offer will not be accepted from Noteholders in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Exchange Offer to be made by a licensed broker or dealer and any of the Dealer Managers or their respective affiliates is such a licensed broker or dealer in such jurisdictions, the Exchange Offer shall be deemed to be made by such Dealer Manager or affiliate (as the case may be) on behalf of Pearl Group in such jurisdictions.

The foregoing does not affect the rights of Noteholders to attend and vote (or appoint a proxy to attend and vote) at the Meeting in accordance with the provisions of the Existing Supplemental Trust Deed.