

CPPGROUP PLC  
09 January 2014

## Proposed Scheme of Arrangement

CPPGroup Plc ("CPP" or the "Group") today publishes the following statement in relation to the proposed Scheme of Arrangement ("Scheme") to review claims and, where appropriate, pay redress to customers.

A meeting of the Scheme Creditors was held on 07 January 2014 and the voting stage of the process has now been completed. The Scheme has been successfully approved by customers who were sold or renewed a policy since 14 January 2005. Votes were cast by 18% of those eligible to vote and of those, 98% of votes were in favour of the Scheme. The Scheme will now proceed to the High Court for approval.

As announced on 20 December 2013, the Group has increased its provision for customer redress and associated costs to £65.8 million, principally reflecting a proportionately higher level of votes from the Scheme Creditors for whom CPP is directly responsible. However, due to the uncertainty of how many customers will respond during the claims process, it remains possible that the rate of responses leading to a successful claim under the Scheme may be materially higher or lower than currently anticipated.

As previously disclosed, the Group's loan facilities contain covenants including an event of default where customer redress response rates leading to a successful claim under the proposed Scheme exceed 25 per cent. Following discussions with its existing lenders, the Group has agreed an amendment to its loan facilities that increases this threshold beyond 25 per cent to 32 per cent.

Brent Escott, Group Chief Executive, said:

"A key priority is to achieve the best outcome for customers affected by the historical issues in the UK business and customer approval for the Scheme marks a further step forward in this process. Whilst the Group will continue to face **significant risks and uncertainties** in the short to medium term, we continue to work closely with our stakeholders to complete the Scheme and provide a stable platform from which the business can look forward."

**For enquiries contact:**

Investor Relations  
CPPGroup Plc  
Brent Escott, Chief Executive Officer  
Craig Parsons, Chief Financial Officer  
Tel: +44 (0)1904 544702

Helen Spivey, Head of Corporate and Investor Communications  
Tel: +44 (0)1904 544387

Media  
Tulchan Communications: Martin Robinson; David Allchurch  
Tel: +44 (0)20 7353 4200

**Notes to Editors**

CPPGroup Plc (CPP) is an International Assistance business operating in the UK and overseas with more than 200 Business Partners worldwide. Via its Business Partners, CPP provides Life Assistance products to consumers, which includes annually renewed and packaged products that provide assistance and insurance across a wide range of market sectors designed to make everyday life easier to manage.

For more information on CPP visit [www.cppgroupplc.com](http://www.cppgroupplc.com)