

Date: September 2006

Dear Policyholder

Sale of Abbey's life business to Resolution plc

On 7 June 2006, Abbey announced it had agreed to sell its life businesses to Resolution plc.

The sale is now complete, and Resolution now owns Scottish Mutual International plc. Please note that the company name will change later in the year from Scottish Mutual International plc to Scottish Mutual International Limited.

What this means for you

- You do not need to do anything. We are writing to you just to let you know about the sale to Resolution.
- There are no changes to the benefits, features or terms and conditions of your policy as a result of the sale.
- You can continue to contact us on the same telephone number and address and your policy number and all other details will remain the same.
- As you are a With Profits policyholder you should read the attached update which details some changes to our Principles and Practices of Financial Management (PPFM).
- Your policy is still secure. Resolution will continue to meet the capital requirements (financial support) designed to protect policyholder benefits set out by our industry regulator, the Irish Financial Regulator.
- As part of the transaction, Resolution will take on the investment management responsibilities of Abbey National Asset Managers Limited.
- Resolution is now looking after your personal information, and will apply the same Data Protection rules as before.
- As this sale does not involve you giving up any rights of ownership, no 'windfall' payment will be paid to any policyholder.

Background on Resolution

Resolution is the largest specialist manager of in-force UK life funds. Central to its strategy is growing its business to enable it to continue to deliver excellent service to customers and attractive returns to shareholders. At the core of Resolution's strategy is the aim to treat customers fairly and to continue to meet or exceed customers' reasonable expectations.

Resolution plc was formed in September 2005 from the merger of Resolution Life Group Limited and Britannic plc. Before the Abbey transaction, Resolution had around 5 million policyholders and around £36 billion combined life company assets.

Please visit www.resolutionplc.com for more information on Resolution.



Who you should contact if you have a question

If you would like some advice on your plan, you should speak to your financial adviser first. Our customer helpdesk is also available in the normal way. Please contact us by email at info@scotprov.ie or by telephone on 01 6382900. Lines are open Monday to Friday from 9am to 5pm.

What you need to do now

Just to confirm, there is no need for you to do anything as a result of the sale. If however you would like to ask any questions about the sale please call our dedicated helpline on 01 804 4007. Lines are open Monday to Friday from 9am to 5pm.

Yours faithfully

Graham Singleton
Managing Director Life Division
Resolution plc



Changes to our Principles and Practices of Financial Management

This update is for policyholders in the Scottish Mutual International (SMI) Dublin With Profits Fund ('the Fund'). SMI is a wholly-owned subsidiary of Resolution plc.

As you may be aware, we aim to operate the Fund and your policy in accordance with certain Principles and Practices of Financial Management (PPFM).

As a result of the recent acquisition by Resolution plc we need to make some changes to our PPFMs. We expect that these changes will benefit our With Profits policyholders. Therefore, you do not need to take any action.

1. Ownership

The key decisions for the Fund will continue to be taken by the SMI Board.

2. Increasing flexibility on our investment strategy

We are also taking the opportunity to allow for the possibility of a higher equity content in the Fund by increasing the upper limit for equities by 5% to 45%. This will give greater flexibility to take advantage of market opportunities that may arise.

3. How can I find out more?

To view a copy of the new PPFM as well as our customer friendly guides visit www.scotprov.ie or write to us at Scottish Provident Ireland, Styne House, Upper Hatch Street, Dublin 2.