



23 October 2014

**RM plc  
Pension Buy-in**

RM plc, the educational IT and resources group, is pleased to announce that RM Pension Scheme Trustee Ltd ("the Trustee") has entered into a buy-in agreement with Pension Insurance Corporation plc ("PIC") in relation to the Research Machines PLC 1988 Pension Scheme ("the Scheme"). The transaction will produce an income stream to the Scheme which closely matches payments to all 165 existing pensioners. Such a buy-in largely eliminates the inflation, interest rate and longevity risks associated with these pension benefits. The transaction also improves the long-term security of members' benefits within the Scheme.

This represents 9% of the scheme members and around 13% of the total Scheme liability.

The insurance premium payable under the buy-in agreement is £30.7m. The insurance premium will be funded by way of £26.0m of fixed income assets from the Scheme and £4.7m paid from an Escrow account funded by the Company and held jointly between the Company and the Trustee for the sole purpose of funding risk reduction or risk management exercises for the Scheme. This leaves £3.3m remaining in the Escrow account to be used for future risk reduction exercises.

Iain McIntosh, RM's CFO, commented:

"Following this buy-in, approximately 13% of the Scheme's total liabilities are now insured. The buy-in is in line with RM's strategy of seeking to reduce the risks associated with the RM Education Limited's legacy pension scheme."

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