

Dear Shareholder,

The Touchstone Group plc Annual General Meeting was held today at 2.30pm at the Group's London offices at No 1, Triton Square, London NW1 3DX.

At the meeting all resolutions were duly approved and the Chairman, Mr David Thompson, issued the following statement:

***“On 5th July 2013 the Board confirmed that it was considering proposals that if approved by shareholders would result in a proportion of the Group's cash reserves being distributed to shareholders.*”**

The Board had hoped that full details of these proposals could have been formally circulated ahead of the AGM with shareholders having the opportunity to raise any matters at today's meeting. Unfortunately, this has not been possible but the Board can confirm that it has been making progress in developing its proposals and an independent adviser has been appointed to help the Directors establish whether the proposals are fair and reasonable and in the best interests of the Company and Shareholders as a whole. The Board is hoping to issue a formal circular to shareholders in October.

As regards current trading, the Board can confirm that turnover levels and trading profits for the 4-month period to 31st July across all operating units are generally in-line with forecasts and slightly ahead of the same period last year. However, due to slower trading during the holiday season, we now anticipate that the results for the first half of the year may end up being behind last year but still in-line with forecast.”

With kind regards,

Investor Relations Administrator