

# NEWS RELEASE

Old Mutual plc

Ref 223/18

26 June 2018

## **UPDATE ON MANAGED SEPARATION – SECOND SCHEME OF ARRANGEMENT EFFECTIVE AND RESIDUAL PLC UPDATE**

Following the announcement by Old Mutual plc regarding, inter alia, the First Scheme becoming effective, and following the admission of Quilter Shares to the London Stock Exchange and the Johannesburg Stock Exchange, each on 25 June 2018, Old Mutual plc is pleased to announce that the Second Scheme of Arrangement became effective at 6.30 p.m. (London time) on 25 June 2018 after Court approval of the Second Scheme earlier that day. As a result, Old Mutual Limited is now the holding company of Old Mutual plc.

Following application by Old Mutual plc, it is expected that the UK Listing Authority will cancel the listing of Old Mutual plc Shares on the premium listing segment of the Official List and the London Stock Exchange will cancel the trading of Old Mutual plc Shares on the London Stock Exchange's main market for listed securities, in each case with effect from 8.00 a.m. (London time) today. In addition, it is expected that Old Mutual plc Shares will be delisted from the Johannesburg Stock Exchange, the Namibian Stock Exchange, the Zimbabwe Stock Exchange and the Malawi Stock Exchange on 29 June 2018.

Old Mutual plc also expects to announce the admission of, and commencement of unconditional dealings in, Old Mutual Limited Shares to the Johannesburg Stock Exchange, London Stock Exchange, the Namibian Stock Exchange, the Zimbabwe Stock Exchange and the Malawi Stock Exchange later today.

On 30 June 2018, the following directors will step down from the Old Mutual plc Board: Zoe Cruz, Alan Gillespie, Adiba Ighodaro, Ingrid Johnson, Vassi Naidoo and Patrick O'Sullivan. After 30 June, Mike Arnold, Danuta Gray, Bruce Hemphill, Trevor Manuel and Roger Marshall will remain members of a newly constituted Old Mutual plc Board.

Patrick O'Sullivan, Chairman of Old Mutual plc, said: "I would like to thank my colleagues across the Group for their exceptional hard work in delivering the managed separation of Old Mutual. It has been an outstanding achievement to deliver the material completion of the managed separation six months ahead of schedule and on budget.

"Managed separation will unlock further value for shareholders over time. Each of the individual businesses is well positioned and I look forward to watching them grow and prosper in future years.

"When I joined Old Mutual plc as Chairman in January 2010, I promised that I would leave the businesses stronger and with attractive prospects in their respective markets. All four companies now meet these objectives as separate, independent firms."

### **Update on development of Residual plc**

The development of the Residual plc net asset value continues as set out in the circular published by Old Mutual on 20 April 2018 (the "Circular"). Estimates of costs are at the upper end of Old Mutual plc's public guidance but remain tightly managed. Approximately 98% of the reinsurance obligations of Old Mutual Bermuda Reinsurance ("OMBRE") have now expired. The remainder of capital in

OMBRE may be released to OM Group (UK) Limited and, in turn, to Old Mutual plc at a future stage subject to regulatory approval. Based on the anticipated developments to Residual plc set out in the Old Mutual plc 2017 Annual Results and on the information announced today and yesterday, 25 June 2018, our current best estimate of the economic value of Residual plc is c.£400 million. This estimate may change over time.

On the Second Scheme becoming effective, Old Mutual plc's pre-existing capital management policy expired and Old Mutual Limited's capital management policy became effective. Old Mutual plc has also ceased to be a regulated entity for the purposes of EU solvency capital calculations. Old Mutual Limited will remain subject, inter alia, to the undertaking to the UK Court as described in the announcement dated 20 June 2018 in respect of Old Mutual plc. Any potential transfer by Old Mutual plc will need to take into account, inter alia, the developments and future assessments by the Board of Old Mutual plc, at such a point in time, of liabilities and contingent liabilities and in line with its fiduciary duties.

BofA Merrill Lynch is acting as joint financial adviser and sponsor to Old Mutual in connection with the managed separation.

Rothschild is acting as independent financial adviser to Old Mutual on its managed separation.

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## Notes to Editors

### About Old Mutual plc

Old Mutual plc was, until the Second Scheme became effective, a holding company for several financial services companies. In March 2016, it announced a new strategy of managed separation entailing the separation of its underlying businesses into independently-listed, standalone entities. All these businesses are now independent.

**BrightSphere Investment Group**, a US based institutional asset manager, which rebranded from OM Asset Management in March 2018,

**Quilter**: Quilter (formerly Old Mutual Wealth) is a leader in the UK and in selected offshore markets in wealth management, providing advice-led investment solutions and investment platforms to over 900,000 customers, principally in the affluent market segment.

**OML (which includes Old Mutual Emerging Markets, Old Mutual plc and c.54% of Nedbank)**: OML has an ambition to become a premium financial services group in sub-Saharan Africa and offers a broad spectrum of financial solutions to retail and corporate customers across key market segments in 17 countries.

**Nedbank:** Nedbank ranks as a top-5 bank by capital on the African continent and Ecobank, in which Nedbank maintains a 21.2% shareholding, ranks within the top-10 banks by assets on the African continent.

References to **Residual plc** are in respect of those operations reported as Residual plc including the legal entity Old Mutual plc, after the effectiveness of the Second Scheme, and subsidiaries or business units of Old Mutual plc such as Old Mutual Bermuda, OMGUK and its subsidiaries, Old Mutual Business Services Limited and Fairbairn Investments (UK) Limited

For the year ended 31 December 2017, Old Mutual reported an adjusted operating profit before tax of £2.0 billion. For further information on Old Mutual plc and the underlying businesses, please visit the corporate website at [www.oldmutualplc.com](http://www.oldmutualplc.com).

## FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements with respect to certain of Old Mutual plc's, Quilter's and Old Mutual Limited's plans and their current goals and expectations relating to the execution of managed separation. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Old Mutual plc's, Quilter's and Old Mutual Limited's control, including amongst other things, those set out in the circular published by Old Mutual plc on 20 April 2018 (the "Circular"), the pre-listing statement published by Old Mutual Limited on 20 April 2018 (the "OML PLS") and the prospectus published by Quilter on 20 April 2018 (the "Quilter Prospectus"). As a result, the execution of Managed Separation may differ materially from the forward-looking statements set forth in this announcement. These forward-looking statements speak only as of the date on which they are made. Old Mutual plc, Quilter and OML expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement or any other forward-looking statements they may make.

## IMPORTANT INFORMATION

This announcement is not an offer to sell, or a solicitation of an offer to purchase, securities in the United States or in any other jurisdiction.

The securities to which these materials relate have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdictions of the United States, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offering of the securities in the United States. The securities to be issued in connection with the schemes are expected to be issued in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10).

The release, publication or distribution of this announcement, the Circular, the OML PLS and the Quilter Prospectus in jurisdictions other than South Africa, the United Kingdom, Malawi, Namibia and Zimbabwe may be restricted by law and therefore persons in whose possession any of this announcement, the Circular, the OML PLS and the Quilter Prospectus comes should inform themselves about, and observe, any such applicable restrictions or requirements. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws and regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies involved in the Proposals to finalise the managed separation disclaim any responsibility or liability for the violation of such restrictions or requirements by any person.

This announcement does not comprise a prospectus or a prospectus equivalent document. Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction.

The information contained in this announcement constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act, 37 of 2002, as amended ("FAIS

Act") and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of any securities or in relation to the business or future investments of Old Mutual plc, OML or Quilter is appropriate to the particular investment objectives, financial situations or needs of a prospective investor. Nothing in this announcement should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa, the United Kingdom, Malawi, Namibia, Zimbabwe or any other jurisdiction.

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