

# NEWS RELEASE

Old Mutual plc

Ref 220/18

20 June 2018

## UPDATE ON MANAGED SEPARATION – FIRST SCHEME OF ARRANGEMENT SANCTIONED BY THE UK COURT

Old Mutual plc (“Old Mutual”) is pleased to announce that the Court has today sanctioned the First Scheme by which, *inter alia*, the Demerger Reduction of Capital and the Quilter Demerger will be effected.

Old Mutual has provided an undertaking to the Court (the “Undertaking”) that it will continue to hold sufficient assets to meet its liabilities to creditors and contingent creditors as at the effective date of the Demerger Reduction of Capital, plus headroom of 10% surplus assets in excess of such liabilities. The assets held by Old Mutual pursuant to the Undertaking will comprise a portfolio of UK government issued gilts and cash or near cash instruments which are of a liquidity to ensure that Old Mutual can meet payments as and when they fall due (the “Permitted Assets”) as well as 9.6% of Quilter shares (being the shares subject to the Quilter Share Sale) and Old Mutual’s shareholding in OM Group (UK) Limited.

Under the terms of the Undertaking, Old Mutual may recalculate the amount of its liabilities on a quarterly basis commencing 1 October 2018 and, subject to retaining Permitted Assets in excess of 110% of Old Mutual’s liabilities to creditors and contingent creditors as at the effective date of the Demerger Reduction of Capital, will be permitted to deal with any surplus assets as it sees fit.

The Court has also confirmed that any proceeds realised in respect of the Quilter Share Sale in excess of £113.4 million are not subject to the Undertaking. Old Mutual may therefore consider any surplus proceeds arising in relation to the Quilter Share Sale in excess of this amount for distribution on the same basis as other surplus assets not subject to the Undertaking.

Any potential distribution by Old Mutual will need to take into account, *inter alia*, the developments and future assessments by the Board of Old Mutual, at such a point in time, of liabilities and contingent liabilities and in line with its fiduciary duties.

Subject to the fulfilment of the conditions set out in the circular published by Old Mutual on 20 April 2018 (the “Circular”) including the Court order being delivered to the Registrar of Companies, the First Scheme Effective Time is expected to be 7.00 p.m. (London time) on 22 June 2018.

The Demerger Effective Time is expected to be 6.00 a.m. (London time) on 25 June 2018. At this time, Old Mutual plc will distribute 86.6% of the total issued share capital of Quilter plc to Old Mutual plc Shareholders.

It is expected that the Second Scheme Court Hearing will take place on 25 June 2018.

Old Mutual expects Managed Separation to occur in accordance with the dates and times set out in the Circular.

Defined terms used but not defined in this announcement have the meanings set out in the Circular.

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.

## Enquiries

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## Notes to Editors

### About Old Mutual plc

Old Mutual plc is 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.

BrightSphere Investment Group, a US based institutional asset manager, which rebranded from OM Asset Management in March 2018, is now independent from Old Mutual. The remaining underlying businesses are:

**OML (which includes Old Mutual Emerging Markets):** 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.

**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.

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.

N M Rothschild & Sons Limited ("Rothschild"), which is authorised and regulated in the United Kingdom by the FCA, is acting as joint financial adviser to Old Mutual plc and for no one else in relation to the Global Offer and will not be responsible to anyone other than Old Mutual plc for providing the protections afforded to clients of Rothschild, nor for providing advice in relation to the Global Offer or any other matter or arrangement referred to in this document. This statement does not seek to limit or exclude responsibilities or liabilities which may arise under the FSMA or the regulatory regime established thereunder.

Merrill Lynch International ("BofA Merrill Lynch"), which is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority in the United Kingdom, is acting as joint financial adviser and sponsor to Old Mutual plc and for no one else in relation to the managed separation and will not be responsible to anyone other than Old Mutual plc for providing the protections afforded to clients of BofA Merrill Lynch, nor for providing advice in relation to the managed separation or any other matter or arrangement referred to in this document. This statement does not seek to limit or exclude responsibilities or liabilities which may arise under the FSMA or the regulatory regime established thereunder.