

June 23, 2017

**Somers Limited
("Somers" or the "Company")**

Bonus Warrant Issue

For Immediate Release - (Hamilton, Bermuda) Somers Limited, a financial services investment holding company, today announces that it proposes to make a Bonus Warrant Issue to Qualifying Shareholders on the basis of two Bonus Warrants for every five Shares held. A Circular will be posted to Shareholders today setting out further details in respect of the Bonus Warrant Issue.

Bonus Warrant Issue Highlights:

- Bonus Warrants to be issued on the basis of two Bonus Warrants for every five Shares held by Qualifying Shareholders;
- 5,864,243 Bonus Warrants to be issued which if fully exercised would represent approximately 28.6% of the Company's enlarged issued share capital;
- Bonus Warrants to be listed on the Bermuda Stock Exchange ("BSX");
- Each Bonus Warrant will entitle the Qualifying Shareholder to subscribe for two Bonus Warrant Shares at a subscription price of \$13.50 per share;
- Bonus Warrants will be exercisable at any time from the issue date, June 30, 2017 to September 30, 2017; and
- Bonus Warrant Issue provides Qualifying Shareholders the opportunity to participate in the growth of the Company and enable the Company to reduce its debt burden in order to make further investments.

Commenting on the proposed Bonus Warrant Issue, Warren McLeland, Chairman of Somers said:

"The Bonus Warrant Issue offers Qualifying Shareholders an opportunity to those shareholders who would like to participate in the growth of the Company. It enables Somers to significantly reduce its debt burden, thereby freeing up cashflow to invest in new opportunities or to support existing investments."

Unless otherwise defined, capitalized terms in this announcement shall have the same meaning as in the Circular.

Media Contacts:

Alasdair Younie
Director
Somers Limited
Tel: +1 441-299-2897
Email: ay@icm.bm

Introduction

The Board proposes, subject to the terms and conditions set out below, to make the Bonus Warrant Issue on the basis of two (2) Bonus Warrants for every five (5) Shares held by the Qualifying Shareholders. As at the Latest Practicable Date, save for the Bonus Warrant Issue, 2,338,261 Shares remain to be issued on exercise of any other subscription rights.

The Qualifying Shareholders whose names appear on the register of members of the Company on the Bonus Warrant Record Date will be entitled to the Bonus Warrant Issue. Full exercise of the Bonus Warrants would result in the issue of a total of up to 5,864,243 new Bonus Warrant Shares on the basis of 14,660,608 Shares in issue as at the Latest Practicable Date. The Bonus Warrant Issue, if fully exercised, would, represent approximately 28.6% of the issued share capital of the Company as enlarged by the Bonus Warrant Shares to be issued upon the exercise of all the Bonus Warrants.

It is noted that as at the Latest Practicable Date: (i) UIL Limited (“UIL”) holds in aggregate 6,136,419 Shares which will entitle them to receive 2,454,568 Bonus Warrants; (ii) Permanent Investments Limited (“PIL”) holds in aggregate 4,247,984 Shares which will entitle them to receive 1,699,194 Bonus Warrants; and (iii) Permanent Mutual Limited (“PML”) holds in aggregate 601,942 Shares which will entitle them to receive 240,777 Bonus Warrants.

As at the date of this announcement, UIL has confirmed that they intend to exercise all their subscription rights in respect of the Bonus Warrants issued to them. However, PIL and PML have each confirmed that they do not intend to exercise their subscription rights in respect of the Bonus Warrants issued to them.

Subscription price of the Bonus Warrants

Each Bonus Warrant will entitle its holder to subscribe for one Bonus Warrant Share at a subscription price of US\$13.50, subject to adjustment, upon the exercise of one Bonus Warrant. Bonus Warrant Holders are required to pay the Subscription Price in US\$ pursuant to the terms and conditions of the Instrument. Bonus Warrant Holders who are resident in Bermuda for the purposes of the Exchange Control Regulations 1973 may be subject to the Foreign Currency Purchase Tax Act 1975.

Subscription period of the Bonus Warrants

Subject to the terms and conditions mentioned below, the Bonus Warrants will be exercisable at any time from the Issue Date to September 30, 2017 (both dates inclusive) or such later date as determined by the Board from time to time at its sole discretion by notice published on the Company’s website and as notified to the BSX and disseminated by the BSX, including on the BSX website. Any subscription rights not exercised on or before the expiry date or such earlier date as provided in the Instrument will lapse.

Fractional entitlements

Fractional entitlements to the Bonus Warrants (if any) will not be granted to the Qualifying Shareholders. If any fractional interest in a Bonus Warrant shall arise, the fractional interest shall automatically be rounded to the nearest whole number of Bonus Warrants.

Status of the shares to be issued upon exercise of the Bonus Warrants

Bonus Warrant Shares which are allotted and issued on the exercise of the subscription rights attaching to the Bonus Warrants will rank pari passu in all respects with the then Shares in issue on the date of such allotment



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and issue and accordingly shall entitle the holders to participate in all dividends or other distributions declared, paid or made on or after the relevant issue and allotment dates of the Bonus Warrant Shares after the due exercise of the subscription rights attaching to the Bonus Warrants.

Conditions to the Bonus Warrant Issue

The Bonus Warrants will be issued subject to and with the benefit of the Instrument to be executed by the Company. The Bonus Warrants will be issued in registered form and will form one class and rank *pari passu* in all respects with each other. The issuance of the Bonus Warrants is conditional upon the BSX granting (i) approval for the listing of, and permission to deal in, the Warrants; and (ii) approval in principle to list, and deal in, the Bonus Warrant Shares.

Application for listing

The Company has applied to the BSX for (i) the listing of, and permission to deal in, the Bonus Warrants and (ii) approval in principle to list and deal in, the Bonus Warrant Shares falling to be issued upon the exercise of the subscription rights attaching to the Bonus Warrants. In the opinion of the Directors, the Bonus Warrants will have an indicative listing value of US\$0.01.

Reasons for the Bonus Warrant Issue

The proceeds from the Bonus Warrant Issue will be used to reduce the Company's debt and to fund future corporate investments and acquisitions. As at the date of this document, the Company has borrowed \$33.0 million from UIL and has bank facilities of \$9.4 million. These facilities have been used to fund the acquisition of a number of the Company's existing investments.

The Board therefore believes that it would be prudent to reduce the Company's debt thereby reducing the Company's interest burden and freeing more capital to either fund existing investments or to make new investments. In particular, subscription of the Bonus Warrants by UIL will enable the Company to repay all of the funds borrowed from UIL. The Bonus Warrant Issue also enables all Qualifying Shareholders the opportunity to invest in the Company at the Subscription Price which is a 24.2% discount to the Company's last published net asset value per share of \$17.81.

Qualifying Shareholders should be aware that if they choose not to exercise the Bonus Warrants, their shareholding may be diluted if other Qualifying Shareholders choose to exercise their Bonus Warrants. The extent of any dilution will depend on how many of the Bonus Warrants are exercised.

Listing, Certificates

An application has been submitted to the BSX for the listing of, and permission to deal in, any Bonus Warrant Shares which may fall to be issued upon exercise of the subscription rights attaching to the Bonus Warrants. Conditional upon the satisfaction of the conditions as set out in the paragraph headed "Conditions to the Bonus Warrant Issue" above, it is expected that the Bonus Warrant Certificates will be issued and posted to the persons entitled thereto at their own risk on the Issue Date. In the case of a joint holding, the Bonus Warrant Certificates and/or the Bonus Shares will be posted to the address of the person whose name stands first on the register of members of the Company on the Record Date.

It is emphasized that tax implications on the Bonus Warrant Issue and the holding and exercise of the Bonus Warrants, are a matter of the holders thereof and neither the Company nor any of the Directors accept any responsibility for any tax effect on, or liabilities of, the holders thereof.



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Current Trading

For the year ended 30 September 2016, the Company reported a diluted net asset value per share of \$18.66 (2015: \$17.74), net income of \$32.3 million (2015: net loss of \$4.1 million), shareholders' equity of \$230.4 million (2015: \$209.2 million) and declared a final dividend of \$0.26 per share. Waverton Investment Management Limited ("Waverton") reported Assets under Management of £5.1 billion (2015: £4.3 billion) and BCB reported a high capital ratio of 21.8%. During the year, Somers completed the acquisition of the majority shareholding in RESIMAC Limited ("RESIMAC").

The Company announced its financial results for the quarter ended 31 December 2016 on 21 February 2017. The Company reported diluted net asset value per share of \$17.81 and shareholders' equity of \$215.7 million. The Company noted in its financial statements that RESIMAC, of which it was the major shareholder, merged during the quarter with Homeloans Limited ("Homeloans") and Somers subsequently became a 59% shareholder in Homeloans. Waverton maintained its assets under management at £5.1 million and BCB reported a strong capital ratio of 23.0%. In addition, BCB's UK subsidiary, Private and Commercial Finance Group plc, was granted a conditional deposit taking license by the UK regulators.

Based on the most recent trading history, the Company's market capitalization is approximately US\$186.9 million. The Company expects to release its second quarter results for the three months ended 31 March 2017 on 26 June 2017.

Rights of the Overseas Shareholders

As at the Latest Practicable Date, there were certain Shareholders whose addresses as shown on the register of members of the Company were outside Bermuda. The Directors have considered the legal and practical problems under the laws of the overseas jurisdictions in which the Overseas Shareholders are located. The Directors are of the view that due to the time and costs involved in the registration of this Circular and/or compliance with the legal or regulatory requirements or special formalities in those jurisdictions, no Bonus Warrants will be issued to the Overseas Shareholders in those jurisdictions and this Circular is provided to them for information purposes only.

The Bonus Warrants which would otherwise have been issued or distributed to such Overseas Shareholders will be sold in the market as soon as practicable after dealings in the Bonus Warrants commence if a premium, net of expenses, can be obtained. Any net proceeds of sale, after deduction of expenses, will be distributed in US dollar currency to such Overseas Shareholders. Remittance thereof will be posted to such Overseas Shareholder(s), at their own risks, unless the amount falling to be distributed to any such Overseas Shareholders shall be less than US\$100, in which case such amount will not be distributed but will be retained for the benefit of the Company.

-ENDS-

Somers Limited is a listed financial services investment holding company whose major assets include its 100% owned subsidiary, Bermuda Commercial Bank Limited, one of Bermuda's four licensed banks, a 59% holding in Homeloans Limited, a leading non-bank Australian financial institution with A\$9.4 billion assets under management and a 62.5% holding in Waverton Investment Management Limited, a UK wealth manager with £5.1 billion assets under management. The Group's other investments include a 51% economic interest in Ascot Lloyd Holdings Limited, a UK independent financial adviser, a 22% interest in Merrion Capital Holdings Limited, an Irish financial services group, a 75% stake in Stockdale Securities Limited, a UK corporate and institutional stockbroking group and a 57% interest in West Hamilton Holdings Limited, a Bermuda property



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management and investment company. Somers has gross assets of approximately \$337 million. Somers' shares are publicly traded and listed on the Bermuda Stock Exchange (Ticker: SOM.BH). More details on the Company can be found at www.somers.limited.