

Disposal - Sale of interest in PruHealth

Released : 10 Nov 2014

RNS Number : 5699W
Prudential PLC
10 November 2014

PRUDENTIAL ASSURANCE COMPANY AGREES TO SELL ITS STAKE IN UK HEALTH AND PROTECTION JOINT VENTURE

The Prudential Assurance Company Limited ("PAC"), the UK subsidiary of Prudential Plc, has reached an agreement to sell its 25% equity stake in the PruHealth and PruProtect joint venture to Discovery Group Europe Limited ("Discovery") for £155 million in cash.

PAC's minority stake in the joint venture has the characteristics of a financial rather than strategic investment in the UK protection market, with the majority of operating functions provided by Discovery. This transaction will enable Prudential UK to realise its investment at attractive terms while providing full strategic optionality to re-enter this market in due course. Prudential UK will work closely with Discovery to ensure a smooth transition and will continue to support the business for a transitional period.

Commenting on the sale, Jackie Hunt, Chief Executive of Prudential UK, Europe and Africa, said:

"Prudential is proud to have built a successful UK health and protection business in partnership with Discovery over the past ten years. This success has enabled us to divest our stake in PruHealth and PruProtect on attractive terms for Prudential's shareholders.

"The transaction will also give us the strategic and commercial flexibility to consider operating freely in the UK protection market in due course. This would be fully in line with our stated strategy of developing the UK business and leveraging the Group's global expertise in risk-focused products."

Enquiries:

Media

Jonathan Oliver +44 (0)20 7548 3719
Tom Willetts +44 (0)20 7548 2776

Investors/Analysts

Raghu Hariharan +44 (0)20 7548 2871
Richard Gradidge +44 (0)20 7548 3860

Notes to Editors:

About Prudential plc

Prudential plc is incorporated in England and Wales, and its affiliated companies constitute one of the world's leading financial services groups. It provides insurance and financial services through its subsidiaries and affiliates throughout the world. It has been in existence for more than 166 years and has £457 billion in assets under management (as at 30 June 2014). Prudential plc is not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America.

Forward-Looking Statements

This release may contain 'forward-looking statements' with respect to certain of Prudential's plans and its goals and expectations relating to its future financial condition, performance, results, strategy and objectives. Statements that are not historical facts, including statements about Prudential's beliefs and expectations, and including, without limitation, statements containing the words "may", "will", "should", "continue", "aims", "estimates", "projects", "believes", "intends", "expects", "plans", "seeks" and "anticipates", and words of similar meaning, are forward-looking statements. These statements are based on plans, estimates and projections as at the time they are made, and therefore undue reliance should not be placed on them. By their nature, all forward-looking statements involve risk and uncertainty. A number of important factors could cause Prudential's actual future financial condition or performance or other indicated results to differ materially from those indicated in any forward-looking statement. Such factors include, but are not limited to, future market conditions, including fluctuations in interest rates and exchange rates and the potential for a sustained low-interest rate environment and the performance of financial markets generally; the policies and actions of regulatory authorities, including, for example, new government initiatives related to the financial crisis and the effect of the European Union's 'Solvency II' requirements on Prudential's capital maintenance requirements; the impact of designation as a global systemically important insurer; the impact of competition, economic growth, inflation, and deflation; experience in particular with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; the impact of changes in capital, solvency standards, accounting standards or relevant regulatory frameworks, and tax and other legislation and regulations in the jurisdictions in which Prudential

and its affiliates operate; and the impact of legal actions and disputes. These and other important factors may for example result in changes to assumptions used for determining results of operations or re-estimations of reserves for future policy benefits. Further discussion of these and other important factors that could cause Prudential's actual future financial condition or performance or other indicated results to differ, possibly materially, from those anticipated in Prudential's forward-looking statements can be found under the 'Risk factors' heading in the Annual Report and the 'Risk Factors' heading of Prudential's most recent annual report on Form 20-F filed with the U.S. Securities and Exchange Commission, as well as under the 'Risk Factors' heading of any subsequent Prudential Half Year Financial Report. Prudential's most recent Annual Report, Form 20-F and any subsequent Half Year Financial Report are/will be available on its website at www.prudential.co.uk.

Any forward-looking statements contained in this document speak only as of the date on which they are made. Prudential expressly disclaims any obligation to update any of the forward-looking statements contained in this document or any other forward-looking statements it may make, whether as a result of future events, new information or otherwise except as required pursuant to the UK Prospectus Rules, the UK Listing Rules, the UK Disclosure and Transparency Rules, the Hong Kong Listing Rules, the SGX-ST listing rules or other applicable laws and regulations.

This information is provided by RNS
The company news service from the London Stock Exchange

END

DISLIFETLRILIS