

June 26, 2017

Somers Limited
(“Somers”, the “Company” or the “Group”)

Financial Results for the six months ended March 31, 2017

For Immediate Release- (Hamilton, Bermuda) Somers Limited, a financial services investment holding company, is pleased to announce its results for the quarter and six months ended March 31, 2017.

Overview of the six months ended March 31, 2017:

- Diluted net asset value (“NAV”) per share of \$17.79 as at March 31, 2017 (September 30, 2016: \$18.66);
- Shareholders’ equity of \$219.5 million as at March 31, 2017 (September 30, 2016: \$230.4 million); and
- Interim dividend per share of \$0.20 (2016: \$0.18).

Investment highlights for the six months ended March 31, 2017:

- Homeloans Limited (“Homeloans”) reports normalised profit after tax of A\$8.2 million for the six months ended December 31, 2016 and a 10% increase in total settlements to A\$2.1 billion for the period;
- Waverton AuM at March 31, 2017 of £5.1 billion (September 30, 2016: £5.0 billion);
- Bermuda Commercial Bank Limited (“BCB”) maintains a high capital ratio of 24.2% and a highly liquid balance sheet with 46% in cash and high quality liquid assets; and
- Private & Commercial Finance Group plc (“PCFG”) reports a 16% increase in underlying profits and a 13% increase in business volumes.

Commenting on the financial results, Warren McLeland, Chairman of Somers said:

“The investee companies continue to perform strongly with excellent financial results in particular at Homeloans and Waverton. During the quarter the Company invested a further £2.3 million in Ascot Lloyd to fund a portion of the deferred consideration owed by Ascot Lloyd on one of its recent acquisitions.

Markets have remained strong in 2017 and during the quarter ended March 31, 2017 both the Australian Dollar and Sterling increased in value against the US Dollar. This positively impacts the Company’s overall valuation given 59% of the portfolio is either AUD or GBP denominated.

The Board of directors is pleased to recommend an interim dividend of \$0.20 per share, a small increase on last year’s interim dividend. This reflects the performance of the underlying investee companies and the Company’s future prospects.

We were pleased to recently announce the Company’s bonus warrant issue, the proceeds of which will enable the Company to materially reduce its debt. We therefore look forward to the rest of the year with cautious optimism.”

Summary of Somers' results for the six months ended March 31, 2017

Introduction

During the March quarter Somers recorded net income of \$4.1 million (2016: net loss of \$1.8 million). This reduced the year to date net loss to \$6.6 million (2016: net loss of \$1.7 million). The basic and diluted loss per share for the six month period was \$0.54 and \$0.38 respectively (2016: basic and diluted loss per share of \$0.14). The Company's diluted net asset value per share was \$17.79 as at March 31, 2017 (September 2016: \$18.66).

During the quarter there was a \$0.4 million loss on the Company's investment portfolio (2016: loss of \$0.9 million). This increased year to date investment losses to \$4.1 million (2016: losses of \$2.2 million). Investment gains and losses result from changes in the valuations of the Company's investments and the year to date loss was due to reductions in the value of our holding in Ascot Lloyd following a reduction in the company's maintainable EBITDA.

Net foreign exchange gains were \$5.5 million for the quarter with an additional \$1.2 million of exchange gains on Somers' investment in its foreign operations. These gains reduced the six month year to date exchange losses to \$1.1 million and \$2.4 million respectively. As at March 31, 2017 60% of Somers' investment portfolio is denominated in foreign currencies, and therefore currency fluctuations can have a material impact on the Company's profitability and NAV per share. The main driver of the Q2 currency gains was the 6.0% appreciation of the Australian Dollar versus the Dollar. These exchange movements were primarily unrealised.

The Company did not receive any distributions in the period. This compares to \$2.5 million in the same period last year.

Total assets were \$337.3 million at March 31, 2017 down from \$346.9 million at September 30, 2016 primarily due to the currency and investment movements outlined above. The investment portfolio was \$327.1 million as at March 31, 2017 (September 30, 2016: \$332.0 million) with equity investments (\$309.7 million) accounting for 94.7% of this total. The remaining 5.3% (\$17.4 million) consisted of convertible loan note investments. Within investments, BCB at \$104.8 million, Homeloans at \$91.2 million and Waverton at \$71.1 million together represent 81.7% of total investments.

Borrowings

Total borrowings were \$26.6 million at March 31, 2017 (September 30, 2016: \$26.5 million). Of the total borrowings, \$8.3 million is bank debt and the balance is debt funding provided by UIL Limited, Somers' largest shareholder, for investment purposes.

Shareholders' Equity

Shareholders' equity ended the period at \$219.5 million (September 30, 2016: \$230.4 million). \$2.9 million of the \$4.4 million dividends paid in January 2017 were reinvested, under the dividend reinvestment plan, through the issuance of 209,061 shares, resulting in an increase in the number of issued shares to 12,310,608 as at March 31, 2017.

Somers' share price ended the period at \$12.00, a discount of 32.5% to the Company's diluted NAV per share.

Dividend

The Company's Board has resolved to pay an interim dividend of \$0.20 a share (2016: \$0.18). The record date for the dividend will be July 17, 2017 and the payment date will be July 27, 2017.

Directors and Officers Interest in Somers' Share Capital

At March 31, 2017 the Directors and Officers of the Company and their related interests had combined interests totalling 4,975,327 common shares out of 12,310,608 common shares in issue on that date. No rights to subscribe to shares or debt securities in the Company have been granted to, or exercised by, any Director or Officer of the Company during the quarter.

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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 23% 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 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.

SOMERS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(expressed in United States dollars)

Assets	MAR 31, 2017	SEP 30, 2016*
Cash and cash equivalents	\$ 110,946	\$ 751,940
Other assets	140,993	82,889
Interest receivable	361,849	356,995
Loans and receivables	9,633,098	13,694,281
Financial investments	327,088,781	332,038,271
Total assets	337,335,667	346,924,376
Liabilities		
Interest payable	62,655	107,638
Other liabilities	1,403,618	1,409,263
Convertible loan notes	89,815,457	88,519,562
Interest bearing loans and borrowings	26,582,153	26,489,542
Total liabilities	117,863,883	116,526,005
Net assets	\$ 219,471,784	\$ 230,398,371
Equity		
Capital stock	\$ 1,232	\$ 1,211
Contributed surplus	169,742,358	166,915,045
Treasury shares	-	-
Accumulated other comprehensive loss	(16,917,205)	(14,161,446)
Retained earnings	66,645,399	77,643,561
Total equity	\$ 219,471,784	\$ 230,398,371

*Audited

SOMERS LIMITED

CONSOLIDATED STATEMENT OF INCOME

(expressed in United States dollars)

Income	For the three months ended		For the six months ended	
	MAR 31, 2017	MAR 31, 2016	MAR 31, 2017	MAR 31, 2016
Interest income	\$ 296,113	\$ 306,277	\$ 615,315	\$ 525,489
Interest expense	(347,954)	(128,208)	(680,782)	(221,198)
Net interest (expense) income	(51,841)	178,069	(65,467)	304,291
Dividend income	-	-	-	2,500,000
Losses on investments	(373,236)	(925,998)	(4,051,380)	(2,164,761)
Net foreign exchange gains (losses)	5,519,127	(557,789)	(1,064,190)	(1,447,729)
Total income (loss)	5,094,050	(1,305,718)	(5,181,037)	(808,199)
	89,815,457			
Expenses				
Investment management fees	558,626	131,295	688,626	261,295
Legal and professional fees	139,010	141,609	234,061	258,793
Audit and accounting fees	121,553	97,417	186,718	139,152
Directors' fees	16,250	16,250	32,500	32,500
General and administrative expenses	102,462	93,463	164,542	196,628
Total expenses	937,901	480,034	1,306,447	888,368
Income (loss) before tax	4,156,149	(1,785,752)	(6,487,484)	(1,696,567)
Income tax expense	(40,412)	-	(82,968)	-
Net income (loss)	\$ 4,115,737	\$ (1,785,752)	\$ (6,570,452)	\$ (1,696,567)

SOMERS LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(expressed in United States dollars)

Income	For the three months ended		For the six months ended	
	MAR 31, 2017	MAR 31, 2016	MAR 31, 2017	MAR 31, 2016
Net income (loss) for the period	\$ 4,115,737	\$ (1,785,752)	\$ (6,570,452)	\$ (1,696,567)
Other comprehensive income (loss):				
Exchange differences on translation of foreign operations	1,191,028	(1,415,223)	(2,414,979)	(2,779,841)
Net gain (loss) on financial investments	327,088,781	76,427	(340,780)	(491,175)
Other comprehensive income (loss)	328,279,809	(1,338,796)	(2,755,759)	(3,271,016)
Total comprehensive income (loss)	\$ 332,395,546	\$ (3,124,548)	\$ (9,326,211)	\$ (4,967,583)