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THIS ANNOUNCEMENT IS NOT A PROSPECTUS OR PROSPECTUS EQUIVALENT DOCUMENT

THIS ANNOUNCEMENT IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE, NOR AS TO THE TERMS ON WHICH ANY OFFER WILL BE MADE EVEN IF THE PRE-CONDITIONS ARE SATISFIED OR WAIVED

INSIDE INFORMATION

This announcement contains inside information which is disclosed in accordance with the Market Abuse Regulation.

4 March 2017

Statement regarding the potential merger of Standard Life plc ("Standard Life") and Aberdeen Asset Management PLC ("Aberdeen")

Further to the recent press speculation the Boards of Standard Life and Aberdeen confirm that they are in discussions in relation to a possible all-share merger of Standard Life and Aberdeen (the "Potential Merger" to form the "Combined Group").

Under the terms of the Potential Merger, Aberdeen shareholders would own 33.3 per cent and Standard Life shareholders would own 66.7 per cent of the Combined Group.

Compelling Strategic and Financial Rationale

Standard Life and Aberdeen's long-term success has been built through differentiated, but complementary, strategies that have delivered attractive growth and returns for clients and shareholders. The Potential Merger represents an excellent opportunity to leverage Standard Life and Aberdeen's combined strengths to create a world class investment company.

It is expected that the Potential Merger would:

- Harness Standard Life and Aberdeen's complementary, market leading investment and savings capabilities which would deliver a compelling and comprehensive product offering for clients covering developed and emerging market equities and fixed income, multi-asset, real estate and alternatives.
- Establish one of the largest and most sophisticated investment solutions offerings globally, positioning the Combined Group to meet the evolving needs of clients.
- Reinforce both Standard Life and Aberdeen's long-standing commitment to active management, underpinned by fundamental research, with both global reach and local depth of resources.
- Create an investment group with strong brands, leading institutional and wholesale distribution franchises, market leading platforms and access to long-standing, strategic partnerships globally.
- Bring scale, as one of the largest active investment managers globally with £660bn of proforma assets under administration and financial strength, transforming the Combined Group's ability to invest for growth, innovate and drive greater operational efficiency.
- Deliver through increased diversification an enhanced revenue, cash flow and earnings profile and strong balance sheet that is expected to be capable of generating attractive and sustainable returns for shareholders, including dividends.
- Result in material earnings accretion for both sets of shareholders, reflecting the significant synergy potential of a combination.

Governance and Management

Standard Life Chairman Sir Gerry Grimstone would become Chairman of the Board of the Combined Group, with Aberdeen's Chairman Simon Troughton becoming Deputy Chairman.

Keith Skeoch, CEO of Standard Life and Martin Gilbert, CEO of Aberdeen, would become co-CEOs of the Combined Group. In addition, Bill Rattray of Aberdeen and Rod Paris of Standard Life would become CFO and CIO respectively.

It is envisaged that the Board of Directors of the Combined Group would comprise equal numbers of Standard Life and Aberdeen directors.

The Combined Group would draw on the expertise across its markets and would endeavour to harness the talent in both companies to optimise the benefits for clients and shareholders of the Combined Group.

Structure

The Potential Merger is expected to be effected by means of a court sanctioned Scheme of Arrangement of Aberdeen.

Under the terms of the Potential Merger, Aberdeen shareholders would receive a merger ratio of 0.757 new Standard Life ordinary shares for each Aberdeen ordinary share.

Discussions between the parties remain ongoing regarding the other terms and conditions of the Potential Merger.

The formal announcement of the Potential Merger remains conditional on, inter alia, agreement on the other terms and conditions of the Potential Merger, satisfactory completion of mutual due diligence and the approval of the Boards of Standard Life and Aberdeen. Each of Standard Life and Aberdeen reserves the right to waive in whole or in part any of the pre-conditions to making an offer set out in this announcement.

Completion of the Potential Merger will be subject to shareholder approvals and receipt, on satisfactory terms, of regulatory and merger control approvals as appropriate, as well as other customary conditions.

Standard Life, with the agreement of Aberdeen, reserves the right, to:

- (A) Introduce other forms of consideration and/or vary the mix of consideration of any offer;
- (B) Vary the terms of the transaction; and
- (C) Adjust the terms of the transaction to take account of any dividend announced, declared, made or paid by either party.

There can be no certainty that any transaction will occur nor as to the terms on which any transaction may occur.

In accordance with Rule 2.6(a) of the Code, Standard Life must, by not later than 5.00 p.m. on 1 April 2017, either announce a firm intention to make an offer for Aberdeen in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline will only be extended with the consent of the Takeover Panel in accordance with Rule 2.6(c) of the Code.

This announcement has been made with the consent of Standard Life.

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Further Information

J.P. Morgan Limited, which conducts its UK investment banking business as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), is authorised and regulated in the United Kingdom by the Financial Conduct Authority. J.P. Morgan Cazenove is acting as financial adviser exclusively for Aberdeen and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters set out in this announcement and will not be responsible to anyone other than Aberdeen for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, or for providing advice in relation to any matter referred to herein.

Credit Suisse International, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting as financial adviser exclusively for Aberdeen and no one else in connection with the matters set out in this announcement and will not be responsible to any person other than Aberdeen for providing the protections afforded to clients of Credit Suisse International, nor for providing advice in relation to the Potential Merger, the content of this announcement or any matter referred to herein. Neither Credit Suisse nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Credit Suisse in connection with this announcement, any statement contained herein or otherwise.

Goldman Sachs International, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Standard Life and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Standard Life for providing the protections afforded to clients of Goldman Sachs International, or for providing advice in connection with the matters referred to in this announcement.

Disclosure Requirements of the Takeover Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing

Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

Cautionary Note Regarding Forward-Looking Statements

This announcement contains certain forward-looking statements, beliefs or opinions, with respect to the financial condition, results of operations and business of Standard Life and/or Aberdeen. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “hope”, “aims”, “continue”, “will”, “may”, “should”, “would”, “could”, or other words of similar meaning. These statements are based on assumptions and assessments made by Aberdeen, and/or Standard Life in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this announcement. Neither Aberdeen nor Standard Life assumes any obligation to update or correct the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

No Profit Forecasts or Estimates

No statement in this announcement is intended as a profit forecast or estimate for any period. No statement in this announcement should be interpreted to mean earnings, earnings per share or dividend per share for Standard Life, Aberdeen or the combined group, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings, earnings per share or dividend per share for Standard Life or Aberdeen as appropriate.

Additional Information

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available at www.standardlife.com and www.aberdeen-asset.com. The content of the websites referred to in this announcement are not incorporated into and do not form part of this announcement.

In accordance with Rule 2.9 of the Code, Standard Life confirms that as at the date of this announcement, it has in issue 1,979,162,948 ordinary shares of 12 2/9 pence each. The International Securities Identification Number of the shares is GB00BVFD7Q58.

In accordance with Rule 2.9 of the Code, Aberdeen confirms that, as at the date of this announcement, it has 1,317,914,440 ordinary shares in issue of 10 pence each and 200,000,000 5% 2015 non-voting perpetual non-cumulative redeemable preference shares in issue of 1 pence each. The International Securities Identification Number for Aberdeen's ordinary shares is GB0000031285.

LEI number of Standard Life plc: 0TMBS544NMO7GLCE7H90

+ Website provider details