



December 7, 2016

## **Fidelity National Financial, Inc. Announces Tax-Free Plan to Distribute Shares of Black Knight Financial Services Common Stock and Redeem and Exchange Shares of FNFV Tracking Stock; Following Distributions, FNF Will Revert to a Common Stock and Become Index Eligible**

JACKSONVILLE, Fla., Dec. 7, 2016 /PRNewswire/ -- Fidelity National Financial, Inc. today announced that its Board of Directors has approved a tax-free plan (the "Plan") whereby (1) it intends to distribute all 83.3 million shares of Black Knight Financial Services Inc. (NYSE: BKFS) common stock that it currently owns to FNF Group (NYSE: FNF) shareholders and (2) it intends to redeem all FNFV (NYSE: FNFV) tracking stock shares in exchange for shares of common stock of FNFV. Following the distributions, FNF, FNFV and BKFS will each be independent, fully-distributed, publicly-traded common stocks, with FNF and FNFV no longer being tracking stocks. FNF and BKFS should be eligible for index inclusion in the S&P Midcap 400 and potentially the S&P 500.

The Plan is subject to the receipt of private letter rulings from the Internal Revenue Service approving the distribution of BKFS and FNFV shares, filing and acceptance of a registration statement for both the BKFS and FNFV transactions with the Securities and Exchange Commission, the refinancing of BKFS Senior Notes, which are subject to the FNF guarantee, on reasonable terms, BKFS and FNFV shareholder approvals and other customary closing conditions. The closing of the tax-free distributions is expected in the third quarter of 2017.

While FNF has the ability to distribute its BKFS holdings into a new publicly traded company, the Plan currently contemplates that FNF would distribute Black Knight Holdings, Inc. ("BKH"), a wholly-owned subsidiary of FNF, to FNF shareholders and immediately thereafter merge BKH with BKFS for BKFS common stock on a one-for-one basis. The merger of BKH with BKFS would be subject to BKFS shareholder approval. Assuming completion of the BKH distribution and subsequent merger with BKFS, approximately 74% of the outstanding shares of BKFS common stock would be fully distributed with no controlling shareholder. It is expected that William P. Foley, II will remain as the Chairman of FNF and Executive Chairman of BKFS.

"It has become clear that the complexity of our existing corporate structure is holding back FNF's share price in general, and the value of our industry-leading title business in particular," said Chairman William P. Foley, II. "We look forward to a stand-alone BKFS and the potential value creation that an independent, more liquid BKFS common stock offers for both FNF and BKFS shareholders. The distribution of our BKFS holdings to FNF shareholders and the distribution of FNFV to FNFV shareholders enables FNF to revert back to a pure-play, title-only common stock, making FNF index-eligible again and potentially significantly widening the demand for FNF common stock."

All of FNF's current dividend payments and FNF share repurchases are funded from non-BKFS sources. Following the BKFS distribution, FNF would plan to maintain its current annual dividend payment of \$1.00 per share, or approximately \$280 million per year. Based on the closing BKFS stock price of \$37.60 per share on December 6, 2016, FNF's holding in BKFS is valued at approximately \$3.1 billion, or \$11.23 per FNF share. Based on FNF's closing stock price of \$32.66 on December 6, 2016, FNF's title group is implicitly valued at \$21.43 per share. Maintaining FNF's \$1.00 per share dividend and assuming a \$21.43 pro forma FNF stock following the BKFS spin-off, FNF's pro forma dividend yield would be approximately 4.7%, a 160 basis point improvement over the current dividend yield of approximately 3.1%. In addition, FNF's share repurchase program would be approximately 50% more effective.

Additionally, the BKFS distribution will significantly reduce FNF's debt to capital ratio from 28% as of September 30, 2016, to 17% on a pro forma basis assuming BKFS refinances its Senior Notes. This decrease in leverage will provide meaningful financial flexibility for FNF to potentially embark upon a more aggressive stock repurchase program after the completion of the tax-free spin-off of BKFS.

Further details will be disclosed in the future as progress is made implementing the Plan towards an expected third quarter 2017 closing.

### **About Fidelity National Financial, Inc.**

Fidelity National Financial, Inc. is organized into two groups, FNF Group (NYSE: FNF) and FNFV Group (NYSE: FNFV). FNF is a leading provider of title insurance, technology and transaction services to the real estate and mortgage industries. FNF

is the nation's largest title insurance company through its title insurance underwriters - Fidelity National Title, Chicago Title, Commonwealth Land Title, Alamo Title and National Title of New York - that collectively issue more title insurance policies than any other title company in the United States. FNF also provides industry-leading mortgage technology solutions and transaction services, including MSP®, the leading residential mortgage servicing technology platform in the U.S., through its majority-owned subsidiaries, Black Knight Financial Services and ServiceLink Holdings. FNFV holds majority and minority equity investment stakes in a number of entities, including American Blue Ribbon Holdings, LLC, Ceridian HCM, Inc., Digital Insurance, Inc. and Del Frisco's Restaurant Group, Inc. More information about FNF and FNFV can be found at [www.fnf.com](http://www.fnf.com).

### **Forward-Looking Statements**

This press release contains forward-looking statements that involve a number of risks and uncertainties. Statements that are not historical facts, including statements regarding our expectations, hopes, intentions or strategies regarding the future are forward-looking statements. Forward-looking statements are based on management's beliefs, as well as assumptions made by, and information currently available to, management. Because such statements are based on expectations as to future financial and operating results and are not statements of fact, actual results may differ materially from those projected. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. The risks and uncertainties which forward-looking statements are subject to include, but are not limited to: our ability to successfully consummate the Plan and achieve the positive effects discussed in this press release; changes in general economic, business and political conditions, including changes in the financial markets; weakness or adverse changes in the level of real estate activity, which may be caused by, among other things, high or increasing interest rates, a limited supply of mortgage funding or a weak U. S. economy; our potential inability to find suitable acquisition candidates, acquisitions in lines of business that will not necessarily be limited to our traditional areas of focus, or difficulties in integrating acquisitions; our dependence on distributions from our title insurance underwriters as a main source of cash flow; significant competition that our operating subsidiaries face; compliance with extensive government regulation of our operating subsidiaries; and other risks detailed in the "Statement Regarding Forward-Looking Information," "Risk Factors" and other sections of the Company's Form 10-K and other filings with the Securities and Exchange Commission.

### **Additional Information and Where to Find It**

This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended. In connection with the proposed transaction, FNFV, BKH and BKFS will file with the Securities and Exchange Commission ("SEC") registration statements. BKFS's registration statement will also include a proxy statement which will be sent to the BKFS shareholders in connection with their vote required in connection with the transaction. FNF will also file a proxy statement which will be sent to the FNFV shareholders in connection with their vote required in connection with the transaction. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENTS/PROSPECTUSES AND PROXY STATEMENTS AND ANY OTHER RELEVANT DOCUMENTS, WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION. Investors and security holders will be able to obtain these materials (when they are available) and other documents filed with the SEC free of charge from the SEC's website, [www.sec.gov](http://www.sec.gov). These documents (when they are available) can also be obtained free of charge from the respective companies by directing a written request to Fidelity National Financial, Inc., 601 Riverside Avenue, Jacksonville, Florida 32204, Attention: Investor Relations, Telephone: 904-854-8100.

### **Participants in a Solicitation**

The directors and executive officers of FNF and other persons may be deemed to be participants in the solicitation of proxies in respect of proposals to approve the transaction. Information regarding the directors and executive officers of FNF is available in its definitive proxy statement, which was filed with the SEC on April 29, 2016. Free copies of this document may be obtained as described in the preceding paragraph.

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To view the original version on PR Newswire, visit:<http://www.prnewswire.com/news-releases/fidelity-national-financial-inc-announces-tax-free-plan-to-distribute-shares-of-black-knight-financial-services-common-stock-and-redeem-and-exchange-shares-of-fnfv-tracking-stock-following-distributions-fnf-will-revert-to-a-co-300374250.html>

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