



**P R E S S   R E L E A S E**

**Lifeco Split Corporation Inc.  
Announces Capital and Preferred Shareholders Approve Reorganization**

Toronto, June 15, 2010

**Attention: Business / Financial Editors**

Lifeco Split Corporation Inc. (“Lifeco” or the “Company”) announced today that holders of its Capital Shares and holders of its Preferred Shares have approved amendments to the articles of the Company extending the termination date of the Company for an additional two years to July 31, 2012.

Holders of Capital Shares will be able to continue to enjoy the benefits of leveraged participation in any capital appreciation of the Company’s portfolio of selected publicly listed Canadian life insurance companies while deferring the recognition of any capital gains that would otherwise be realized on the redemption of their Capital Shares.

Holders of Preferred Shares will be able to continue to enjoy quarterly fixed cumulative preferential distributions on the Preferred Shares for an additional two years at the current coupon of 4.00%.

Under the Reorganization, holders of Capital Shares and holders of Preferred Shares have the right to retract their shares pursuant to a special retraction right (the “Special Retraction Right”). This will enable holders to redeem their Capital Shares and Preferred Shares on the terms that would have applied had the Company redeemed all Capital Shares and Preferred Shares as originally contemplated. Holders of Capital Shares and Preferred Shares who wish to exercise the Special Retraction Right must give notice of the retraction on or prior to June 29, 2010.

The Reorganization will only be implemented if a minimum of 436,000 Capital Shares remain issued and outstanding following exercise of the Special Retraction Right by holders on or before June 29, 2010. If this condition is not satisfied, the Company will redeem the Capital Shares and the Preferred Shares on July 30, 2010 on the same terms as originally contemplated.

If the Reorganization is implemented, the ratio of Capital Shares to Preferred Shares will continue to be two-to-one with downside protection on the Preferred Shares of approximately 39%. In order to achieve this, the Company may redeem Preferred Shares which are not surrendered for retraction pursuant to the Special Retraction Right. The reorganization is not conditional on the downside protection being maintained.

Capital Shares and Preferred Shares of Lifeco are listed for trading on The Toronto Stock Exchange under the symbols LSC and LSC.PR.C respectively.

For more information, please contact

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