

# PNC to Sell Hilliard Lyons to Houchens Industries, Inc.

PRNewswire-FirstCall  
PITTSBURGH  
(NYSE:PNC)

PITTSBURGH, Nov. 16 /[PRNewswire-FirstCall](#)/ -- The PNC Financial Services Group, Inc. (NYSE: PNC) announced today it has signed a definitive agreement to sell J.J.B. Hilliard, W.L. Lyons, Inc., a full-service brokerage and financial services provider headquartered in Louisville, Ky., to Bowling Green, Ky.-based Houchens Industries, Inc. Hilliard Lyons has more than 1,000 employees, including 411 financial consultants, with 76 branch offices, mainly in states outside of PNC's retail banking footprint.

"Our strategy is to grow client relationships in our retail banking footprint where we have a competitive advantage and to maintain a disciplined approach to capital management. This transaction allows us to do both," said PNC President Joseph C. Guyaux, who leads Retail Banking.

As a result of the sale, PNC expects to report an after-tax gain of approximately \$50 million and increase its tangible capital position by approximately \$140 million after the elimination of goodwill recorded upon the purchase of Hilliard Lyons in 1998. The transaction is estimated to be completed in the first quarter of 2008 subject to regulatory and certain other required approvals.

"With this transaction, Hilliard Lyons will retain its name, employees, management team, and valuable franchise. In addition we believe the proposed ownership, which will include employees of the company, provides Hilliard Lyons with a tremendous opportunity to chart a course for growth and success with the support of Houchens," said Jim Allen, chief executive officer of Hilliard Lyons. Allen added that the 150-year-old company will remain headquartered in Louisville.

PNC will continue to offer Wealth Management and Investment products and services as part of the Retail Bank. Following the transaction, Hilliard Lyons will continue to supply PNC Investments with back office and other support services. PFPC Worldwide Inc., PNC's provider of global fund services, will remain as Hilliard Lyons' source of separate account management for its clients' third-party asset management relationships.

Credit Suisse and Wachtell Lipton Rosen & Katz, respectively, acted as the financial and legal adviser to PNC. BKD, LLP and Deutsche Bank Securities Inc. served as financial advisers and Wyatt, Tarrant & Combs, LLP acted as legal adviser to Houchens.

The PNC Financial Services Group, Inc. (<http://www.pnc.com/>) is one of the nation's largest diversified financial services organizations providing retail and business banking; specialized services for corporations and government entities, including corporate banking, real estate finance and asset-based lending; wealth management; asset management and global fund services.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This press release contains forward-looking statements regarding our outlook or expectations with respect to the planned sale of Hilliard Lyons, the expected costs to be incurred in connection with the disposition and the impact of the transaction on PNC's future performance.

Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. The forward-looking statements in this press release speak only as of the date of the press release, and neither PNC nor Houchens assumes any duty, or undertakes, to update them. Actual results or future events could differ, possibly materially, from those that we anticipated in these forward-looking statements.

These forward-looking statements are subject to the principal risks and uncertainties applicable to the business of PNC, including those generally disclosed in the 2006 Form 10-K and in current year Form 10-Qs and 8-Ks of PNC (accessible on the SEC's Web site at <http://www.sec.gov/> and on PNC's Web site at <http://www.pnc.com/>). In addition, forward-looking statements in this press release are subject to the risks and uncertainties associated with the fact that completion of the transaction is dependent on, among other things, receipt of regulatory approval, the timing of which cannot be predicted with precision at this point and which may not be received at all, as well as the negotiation of transition service and other arrangements among PNC, Hilliard Lyons and Houchens. The impact of the completion of the transaction on PNC's financial statements will be affected by the timing of the transaction.

SOURCE: The PNC Financial Services Group, Inc.

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Web site: <http://www.pnc.com/>

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