

# NEWS RELEASE

Old Mutual plc  
Ref 224/18

9 July 2018

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**OLD MUTUAL PLC ANNOUNCES TENDER OFFER FOR ITS OUTSTANDING £500,000,000 8 PER CENT. SUBORDINATED NOTES DUE 3 JUNE 2021 (THE “2021 SECURITIES”) AND ITS OUTSTANDING £450,000,000 7.875 PER CENT. SUBORDINATED NOTES DUE 3 NOVEMBER 2025 (THE “2025 SECURITIES” AND, TOGETHER WITH THE 2021 SECURITIES, THE “SECURITIES”)**

Old Mutual plc (the “**Company**”) today announces its invitations to holders (the “**2021 Securityholders**”) of its outstanding £500,000,000 8 per cent. Subordinated Notes due 3 June 2021 (of which £340,884,000 is currently outstanding) (the “**2021 Securities**”) and to holders (the “**2025 Securityholders**”) and, together with the 2021 Securityholders, the “**Securityholders**”) of its outstanding £450,000,000 7.875 per cent. Subordinated Notes due 3 November 2025 (of which £60,842,000 is currently outstanding) (the “**2025 Securities**”) and, together with the 2021 Securities, the “**Securities**”) to tender any and all of their Securities for purchase by the Company for cash (each an “**Offer**” and, together, the “**Offers**”), subject, in each case, to the terms and conditions set out in the Tender Offer Memorandum dated 9 July 2018 (the “**Tender Offer Memorandum**”) including the offer and distribution restrictions described below.

Copies of the Tender Offer Memorandum are available from the Tender Agent as set out below. Capitalised terms used in this announcement but not defined have the meanings given to them in the Tender Offer Memorandum.

Description of the Securities	ISIN/ Common Code	Outstanding nominal amount	Purchase Price	Amount subject to the Offers
£500,000,000 8 per cent. Subordinated Notes due 3 June 2021	XS0632932538 / 063293253	£340,884,000	116 per cent. of the nominal amount of the 2021 Securities	Any and all
£450,000,000 7.875 per cent. Subordinated Notes due 3 November 2025	XS1312138750 / 131213875	£60,842,000	121 per cent. of the nominal amount of the 2025 Securities	

## Rationale for the Offers

The purpose of the Offers is to utilise available liquidity to manage the Company's debt maturity profile by reducing outstanding indebtedness and to reduce interest costs.

The 2021 Securities and 2025 Securities are each rated Ba2 by Moody's Investors Services Limited ("**Moody's**") and BB by Fitch Ratings Limited ("**Fitch**"). The Issuer intends to request that each of Moody's and Fitch withdraw their ratings on each Series of Securities and on the Issuer itself shortly after the date of the Tender Offer Memorandum. The Offers provide liquidity to Securityholders in the context of such withdrawal.

## Details of the Offers

In order to participate in the Offers, Securityholders must validly tender their Securities for purchase by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Tender Agent by 4.00 p.m. (London time) on 17 July 2018 (the "**Tender Expiration Deadline**").

### *2021 Securities*

The Company will pay, on the Settlement Date, a cash purchase price (the "**2021 Purchase Price**") equal to 116 per cent. of the nominal amount of the 2021 Securities validly tendered and accepted by it for purchase pursuant to the 2021 Offer and the relevant Accrued Interest Payment.

If the Company decides to accept any 2021 Securities validly tendered for purchase pursuant to the 2021 Offer, the Company proposes to accept for purchase all 2021 Securities validly tendered for purchase pursuant to the 2021 Offer.

### *2025 Securities*

The Company will pay, on the Settlement Date, a cash purchase price (the "**2025 Purchase Price**" and, together with the 2021 Purchase Price, the "**Purchase Prices**", and each a "**Purchase Price**") equal to 121 per cent. of the nominal amount of the 2025 Securities validly tendered and accepted by it for purchase pursuant to the 2025 Offer and the relevant Accrued Interest Payment.

If the Company decides to accept any 2025 Securities validly tendered for purchase pursuant to the 2025 Offer, the Company proposes to accept for purchase all 2025 Securities validly tendered for purchase pursuant to the 2025 Offer.

## Announcements

The Company will announce its decision whether to accept valid tenders of Securities for purchase pursuant to the Offers and, if so accepted, the 2021 Securities Acceptance Amount and the 2025 Securities Acceptance Amount, as soon as reasonably practicable on the Business Day immediately following the Tender Expiration Deadline.

## Managed Separation Announcements

Securityholders' attention is drawn to the information contained in the recent announcements in respect of the Company including those dated 20 June 2018 and 26 June 2018 which can be found at <https://www.londonstockexchange.com>, regarding the sanction and effectiveness of the first and second schemes of arrangement in relation to the managed separation process. Such announcements include details of the Company providing an undertaking to the UK Court that it will continue to hold sufficient assets to meet its liabilities to creditors and contingent creditors as at the effective date of the Demerger Reduction of Capital (as defined in the 20 June 2018 announcement), plus headroom of 10 per cent. surplus assets in excess of such liabilities and also includes details as to the composition of such assets. Under the terms of the undertaking, the Company may recalculate the amount of its liabilities on a quarterly basis commencing 1 October 2018 and, subject

to it retaining sufficient assets in excess of 110 per cent. of the Company's liabilities to creditors and contingent creditors as at the effective date of the Demerger Reduction of Capital, will be permitted to deal with any surplus assets as it sees fit.

### General

Under the Offers, all Tender Instructions will be irrevocable except in the limited circumstances described in the Tender Offer Memorandum.

### Indicative Timetable

Date and time (all times are London time)	Event
9 July 2018	Commencement of the Offers.
17 July 2018 4.00 p.m.	Tender Expiration Deadline.
As soon as reasonably practicable on the Business Day immediately following the Tender Expiration Deadline	Announcement of whether the Company will accept valid tenders of Securities pursuant to either or both Offers and, if so accepted, (i) the 2021 Securities Acceptance Amount, (ii) the 2025 Securities Acceptance Amount, and (iii) the expected Settlement Date.
19 July 2018	Expected Settlement Date. Payment of the relevant Purchase Price and relevant Accrued Interest Payment for the Securities accepted for purchase pursuant to the Offers.

Subject to applicable law and as provided in the Tender Offer Memorandum, the Company may, in its sole and absolute discretion, extend, re-open, amend, waive any condition of or terminate an Offer and the above dates and times are subject to the right of the Company to so extend, re-open, amend, or waive any condition of or terminate the Offers.

Securityholders are advised to check with any bank, securities broker or other intermediary through which they hold Securities when such intermediary would require to receive instructions from a Securityholder in order for that Securityholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, an Offer before the deadlines specified above. **The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the relevant deadlines above.**

Subject as provided in the Tender Offer Memorandum, the Settlement Date for the Offers may be earlier or later than the above date and could be different. The Company will confirm the final Settlement Date at the same time as the announcement of the results of the Offers.

The Company is under no obligation to accept any tender of Securities for purchase pursuant to an Offer. Tenders of Securities for purchase may be rejected in the sole and absolute discretion of the Company for any reason and the Company is under no obligation to Securityholders to furnish any reason or justification for refusing to accept a tender of Securities for purchase. For example, tenders of Securities may be rejected if an Offer is terminated, if any such tender does not in the determination of the Company comply with the requirements of a particular jurisdiction or for any other reason.

Unless stated otherwise, announcements in connection with the Offers will be made (i) by publication via RNS and on the website of the Company at [www.oldmutual.com](http://www.oldmutual.com) and (ii) by the delivery of notices to the Clearing Systems for communication to Direct Participants. Such announcements may also be made on the relevant Reuters Insider Screen and by the issue of a press release to a Notifying News Service. Copies of all such announcements, notices and press releases can also be obtained upon request from the Tender Agent.

**Securityholders are advised to read carefully the Tender Offer Memorandum for full details of and information on the procedures for participating in the Offers.**

Requests for information in relation to the Offers should be directed to:

**The Dealer Managers**

**Merrill Lynch International**

2 King Edward Street  
London EC1A 1HQ  
United Kingdom

Telephone: +44 20 7996 5420  
Attention: Liability Management Group  
Email: [DG.LM\\_EMEA@baml.com](mailto:DG.LM_EMEA@baml.com)

**Nedbank Limited, London Branch**

1st Floor  
Millennium Bridge House  
2 Lambeth Hill  
London EC4V 4GG

Telephone: +44 20 7002 3540  
Attention: Head of Legal and Head of Compliance  
Email: [liability.management@nedbank.co.uk](mailto:liability.management@nedbank.co.uk)

Requests for information in relation to the procedures for tendering Securities and participating in the Offers, and the submission of a Tender Instruction should be directed to:

**The Tender Agent**

**Lucid Issuer Services Limited**

Tankerton Works  
12 Argyle Walk  
London WC1H 8HA  
United Kingdom

Telephone: + 44 20 7704 0880  
Attention: Thomas Choquet / Arlind Bytyqi  
Email: [oldmutual@lucid-is.com](mailto:oldmutual@lucid-is.com)

**DISCLAIMER** This announcement must be read in conjunction with the Tender Offer Memorandum.

This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to an Offer. If any Securityholder is in any doubt as to the action it is recommended to seek its own financial and legal advice, including as to any tax consequences, from its broker, bank manager, solicitor, accountant or other independent financial or legal adviser. Any individual or company whose Securities are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to tender Securities in an Offer. None of the Dealer Managers, the Tender Agent or the Company makes any recommendation as to whether Securityholders should tender Securities in the Offers.

## OFFER AND DISTRIBUTION RESTRICTIONS

Neither this announcement nor the Tender Offer Memorandum constitutes an offer to buy or the solicitation of an offer to sell Securities (and tenders of Securities for purchase pursuant to the Offers will not be accepted from Securityholders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offers to be made by a licensed broker or dealer and either Dealer Manager or any of their respective affiliates is such a licensed broker or dealer in any such jurisdiction, the Offers shall be deemed to be made by such Dealer Manager or such affiliate, as the case may be, on behalf of the Company in such jurisdiction.

The distribution of this announcement and/or the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement and/or the Tender Offer Memorandum comes are required by each of the Company, the Dealer Managers and the Tender Agent to inform themselves about and to observe any such restrictions.

**United States:** The Offers are not being made and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States or to any U.S. Person (as defined in Regulation S of the United States Securities Act of 1933, as amended (each a “**U.S. Person**”)). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. Accordingly, copies of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offers are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to any U.S. Person and the Securities cannot be tendered in the Offers by any such use, means, instrumentality or facility or from or within or by persons located or resident in the United States or by, or by any person acting for the account or benefit of, a U.S. Person. Any purported tender of Securities in the Offers resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Securities made by, or by any person acting for the account or benefit of, a U.S. Person or by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Each holder of Securities participating in the Offers will represent that it is not a U.S. Person, it is not located in the United States and is not participating in the Offers from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Offers from the United States and is not a U.S. Person. For the purposes of this and the above paragraph, “**United States**” means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

**Italy:** None of the Offers, this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offers have been submitted to the clearance procedure of the Commissione Nazionale per le Società e la Borsa (CONSOB) pursuant to Italian laws and regulations. The Offers are being carried out in the Republic of Italy (“**Italy**”) as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Accordingly, Securityholders or beneficial owners of the Securities that are located or resident in Italy can tender Securities for purchase pursuant to the Offers through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB

Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority. Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Securities or the Offers.

**United Kingdom:** The communication of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offers are not being made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”)) or persons who are within Article 43(2) of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

**France:** The Offers are not being made, directly or indirectly, to the public in the Republic of France (“**France**”). None of this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offers have been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, in each case acting on their own account and all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code Monétaire et Financier*, are eligible to participate in the Offers. This announcement, the Tender Offer Memorandum and any other document or material relating to the Offers have not been and will not be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.

**THIS ANNOUNCEMENT IS RELEASED BY OLD MUTUAL PLC AND CONTAINS INFORMATION IN RELATION TO THE SECURITIES THAT QUALIFIED OR MAY HAVE QUALIFIED AS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014 (MAR), ENCOMPASSING INFORMATION RELATING TO THE OFFERS DESCRIBED ABOVE. FOR THE PURPOSES OF MAR AND ARTICLE 2 OF COMMISSION IMPLEMENTING REGULATION (EU) 2016/1055, THIS ANNOUNCEMENT IS MADE BY COLIN CAMPBELL, COMPANY SECRETARY, FOR OLD MUTUAL PLC.**

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## Notes to Editors

### About Old Mutual plc

Old Mutual plc is a subsidiary of Old Mutual Limited, a South African holding company.