

NEWS RELEASE

Old Mutual plc

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OLD MUTUAL PLC ANNOUNCES INVITATIONS TO THE HOLDERS OF ITS OUTSTANDING £500,000,000 8 PER CENT. SUBORDINATED NOTES DUE 3 JUNE 2021 AND ITS OUTSTANDING £450,000,000 7.875 PER CENT. SUBORDINATED NOTES DUE 3 NOVEMBER 2025 TO APPROVE BY WAY OF EXTRAORDINARY RESOLUTION CERTAIN MODIFICATIONS TO THE TERMS AND CONDITIONS OF THE RELEVANT SERIES AND THE RELEVANT TRUST DEED CONSTITUTING THE RELEVANT SERIES

Old Mutual plc (the “**Company**”) today announces its separate invitations to holders (the “**2021 Securityholders**”) of its outstanding £500,000,000 8 per cent. Subordinated Notes due 3 June 2021 (of which £72,102,000 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 £44,889,000 is currently outstanding) (the “**2025 Securities**” and, together with the 2021 Securities, the “**Securities**”, and each a “**Series**”) in each case to approve by way of Extraordinary Resolution the relevant Proposal, comprising certain modifications to the terms and conditions of the relevant Series and the trust deed constituting the relevant Series to provide for the Company to redeem (in respect of such Series, the “**Issuer Early Redemption**”) all, but not some only, of such Series at the relevant Early Redemption Amount (as described below) in respect of such Series plus Accrued Interest (if any), subject, in each case, to the terms and conditions set out in the Consent Solicitation Memorandum dated 26 September 2018 (the “**Consent Solicitation Memorandum**”).

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

Description of the Securities	ISIN / Common Code	Outstanding Nominal Amount	Consent Fee	Reference Gilt	Early Redemption Spread ¹	Hypothetical Early Redemption Amount ²	Hypothetical Total Considerations ³
£500,000,000 8 per cent. Subordinated Notes due 3 June 2021	XS0632932538 / 063293253	£72,102,000	3 per cent. ⁴	1.50 per cent. UK Treasury Gilt due 22 January 2021 (ISIN: GB00BYY5F581)	50 basis points	113.732 per cent. ⁴	116.732 per cent. ⁴
£450,000,000 7.875 per cent. Subordinated Notes due 3 November 2025	XS1312138750 / 131213875	£44,889,000	3 per cent. ⁴	2.00 per cent. UK Treasury Gilt due 7 September 2025 (ISIN: GB00BTHH2R79)	50 basis points	136.496 per cent. ⁴	139.496 per cent. ⁴

Rationale for the Consent Solicitation and the Proposals

In March 2016, the Old Mutual Group announced the managed separation of its four underlying businesses from each other, being Old Mutual Emerging Markets, Nedbank, Old Mutual Wealth and OM Asset Management (the “**Managed Separation**”). The Company notes the material completion of the Managed Separation of the Old Mutual Group and the completion of previous tender offers in respect of the Securities made by the Company that were announced on 25 October 2017 and 9 July 2018. Following the material completion of the Managed Separation, Old Mutual Limited is now the holding company of Old Mutual plc and Old Mutual plc has requested that each of Moody’s and Fitch withdraw their ratings of each Series of Securities and Old Mutual plc. On 21 July 2018, Fitch withdrew its ratings of each Series of Securities and Old Mutual plc.

In light of the previous tender offers resulting in the retirement of a significant portion of the Securities and the changes to the Company due to the Managed Separation that have taken place since the Securities were issued, the purpose of the Consent Solicitation and the Proposals is to utilise available liquidity to continue to manage the Company’s debt maturity profile by further reducing outstanding indebtedness and associated interest costs by retiring the relevant Series in full should the relevant Proposal be implemented. In such case, the Consent Solicitation and the Proposals will also provide liquidity to Securityholders.

¹ Please refer to the section “*Further Information and Terms and Conditions – The Proposal*” in the Consent Solicitation Memorandum for detail of how the Early Redemption Amount is determined with reference to the Early Redemption Spread.

² For illustrative purposes only, a hypothetical Early Redemption Amount is set out in the table above in respect of each Series which has been calculated on the basis of a Settlement Date for such Series of 1 November 2018, the Early Redemption Spread for such Series and (i) in the case of the 2021 Securities, a hypothetical Reference Gilt Rate of 0.8930 per cent. or (ii) in the case of the 2025 Securities, a hypothetical Reference Gilt Rate of 1.3400 per cent. By way of reference, as at 11:00 am (London time) on 25 September 2018, the Reference Gilt Rate for the 1.50 per cent. UK Treasury Gilt due 22 January 2021 (ISIN: GB00BYY5F581) was 0.8930 per cent. and the Reference Gilt Rate for the 2.00 per cent. UK Treasury Gilt due 7 September 2025 (ISIN: GB00BTHH2R79) was 1.3400 per cent. Securityholders should note that, if the Extraordinary Resolution in respect of either or both of the Series is passed, the actual Early Redemption Amount in respect of the relevant Series will be determined in the manner described in the Consent Solicitation Memorandum and could differ significantly from the hypothetical Early Redemption Amount for such Series set out in the table above.

³ If the Proposal for either Series is implemented, the total consideration (expressed as an amount per £1,000 in nominal amount of the relevant Securities) payable to any holder of such Series from whom a valid Solicitation Instruction in favour of the relevant Extraordinary Resolution is received by the Tabulation Agent by the Consent Deadline, subject as set out in the Consent Solicitation Memorandum, will be calculated as the sum of (I) the applicable Early Redemption Amount and (II) the product of £1,000 and the Consent Fee. For illustrative purposes only, a hypothetical total consideration amount is set out in the table above which has been calculated on the basis of the hypothetical Early Redemption Amount for such Series set out in the table above. Securityholders should note that the actual total consideration in respect of the relevant Series will be determined in the manner described in the Consent Solicitation Memorandum and could differ significantly from the hypothetical total consideration amounts set out in the table above.

⁴ Expressed as a percentage of the nominal amount of the relevant Securities.

Details of the Proposals

The Company is inviting Securityholders of each Series to approve, by an Extraordinary Resolution pursuant to the relevant Conditions and the relevant Meeting Provisions of such Series, amendments (in respect of each Series, a “**Proposal**”) to the Conditions and the Trust Deed of such Series to insert a new Condition 7(n) (in respect of the 2021 Securities) and Condition 7(k) (in respect of the 2025 Securities) as follows:

7[(n)][(k)] Early Redemption by the Issuer (“Issuer Early Redemption**”)**

The Issuer shall, on the Settlement Date, redeem all, but not some only, of the Notes at the Early Redemption Amount together with interest accrued to, but excluding, the Settlement Date.

For the purposes of this Condition 7[(n)][(k)]:

*“**Consent Fee**” has the meaning given to such term in the Consent Solicitation Memorandum;*

*“**Consent Solicitation**” means the Issuer’s invitation to holders of the Notes to consent to the modification of these Conditions and the Trust Deed to provide for the Issuer to redeem all, but not some only, of the Notes as further set out in the Consent Solicitation Memorandum;*

*“**Consent Solicitation Memorandum**” means the Consent Solicitation Memorandum dated 26 September 2018 prepared by the Issuer in connection with the Consent Solicitation, as amended and supplemented from time to time;*

*“**Early Redemption Amount**” means an amount (expressed as an amount per £1,000 in nominal amount of the Notes) equal to the higher of:*

- (a) £1,000; and*
- (b) (i) £1,000 multiplied by the price (expressed as a percentage rounded to three decimal places, with 0.0005% being rounded up) at which the yield to maturity on the Notes on the Settlement Date is equal to the sum of the Reference Gilt Rate plus the relevant Early Redemption Spread, minus (ii) £1,000 multiplied by the Consent Fee;*

*“**Early Redemption Spread**” has the meaning given to such term in the Consent Solicitation Memorandum;*

*“**Mid-Market Yield to Maturity**” means the arithmetic mean of the bid and ask yields of the Reference Gilt displayed on the Bloomberg Reference Page ‘PXUK’ (or any successor thereof), determined at 11:00 a.m. London time on the second business day in London preceding the Settlement Date;*

*“**Reference Gilt**” means the [1.50 per cent. UK Treasury Gilt due 22 January 2021 (ISIN: GB00BYY5F581)]⁵ / [2.00 per cent. UK Treasury Gilt due 7 September 2025 (ISIN: GB00BTHH2R79)]⁶ or, if such stock is not available, such other government stock selected by the Company as having a fixed maturity most nearly equal to the period from the Settlement Date to the Maturity Date of the Notes;*

*“**Reference Gilt Rate**” means the Mid-Market Yield to Maturity of the Reference Gilt; and*

⁵ In respect of the 2021 Securities.

⁶ In respect of the 2025 Securities.

“Settlement Date” has the meaning given to such term in the Consent Solicitation Memorandum.”

in each case, as set out in the relevant Supplemental Trust Deed.

Details of the Consent Solicitation

The Consent Solicitation commences on the date of the Consent Solicitation Memorandum and expires at 4.00 p.m. (London time) on 22 October 2018 (the “**Consent Deadline**”). The Deadline for receipt by the Tabulation Agent of valid Solicitation Instructions in favour of the relevant Extraordinary Resolution for Securityholders to be eligible for the Consent Fee is the Consent Deadline.

Solicitation Instructions in favour of an Extraordinary Resolution will, subject to the provisions of the relevant Trust Deed, be irrevocable except in the limited circumstances described in the Consent Solicitation Memorandum.

Consent Fee

The Company will pay to each Securityholder from whom a valid Solicitation Instruction in favour of the relevant Extraordinary Resolution is received by the Tabulation Agent by the Consent Deadline, an amount equal to 3 per cent. of the nominal amount of the relevant Securities that are the subject of such Solicitation Instruction (the “**Consent Fee**”), subject to (i) such Solicitation Instruction not being validly revoked (in the limited circumstances in which such revocation is permitted), (ii) the relevant Extraordinary Resolution being duly passed and the relevant Supplemental Trust Deed being executed and delivered by the Company and the Trustee and (iii) the Company not having previously terminated the Consent Solicitation in respect of the relevant Series in accordance with the provisions for such termination set out in the Consent Solicitation Memorandum. Where payable, the Company will pay the Consent Fee in respect of the Securities that are the subject of such Solicitation Instructions no later than the Settlement Date.

By submitting a Solicitation Instruction, a Securityholder will instruct the Principal Paying Agent to appoint one or more representatives of the Tabulation Agent as their proxy to attend the relevant Meeting (and any adjourned such Meeting) and vote in the manner specified or identified in such Solicitation Instruction in respect of the relevant Extraordinary Resolution. It will not be possible to submit a Solicitation Instruction without at the same time giving such instructions to the Principal Paying Agent.

To be eligible to receive the Consent Fee, each Securityholder who submits a Solicitation Instruction in favour of the Extraordinary Resolution must further not attend, or seek to attend, the relevant Meeting in person or make any other arrangements to be represented at such Meeting (other than by way of their Solicitation Instruction(s)). Securityholders may choose to attend and vote at the relevant Meeting in person or to make other arrangements to be represented or to vote at such Meeting in accordance with the provisions for meetings of Securityholders set out in the Meeting Provisions without submitting a Solicitation Instruction in favour of the relevant Extraordinary Resolution. However, such Securityholders will not be eligible to receive the Consent Fee, even if at the Meeting such Securityholder votes in favour of the relevant Extraordinary Resolution or if other arrangements are made by the Consent Deadline.

Issuer Early Redemption

If, in respect of either Series, the relevant Extraordinary Resolution is passed and the relevant Supplemental Trust Deed is executed and delivered, the total amount that will be paid to a Securityholder of such Series on the relevant Settlement Date for the Securities of such Series held by such Securityholder redeemed pursuant to the relevant Issuer Early Redemption will be the cash amount (rounded to the nearest £0.01, with half a pence rounded upwards) equal to the sum of:

- (a) the product of (i) the aggregate nominal amount of the Securities of such Series held by the relevant Securityholder redeemed pursuant to the relevant Issuer Early Redemption divided by £1,000 and (ii) the relevant Early Redemption Amount;
- (b) the Accrued Interest Payment on such Securities; and
- (c) if a valid Solicitation Instruction from such Securityholder in favour of the relevant Extraordinary Resolution was received by the Tabulation Agent by the Consent Deadline, and if the conditions to payment of the Consent Fee are satisfied, the Consent Fee in relation to such Securities.

The aggregate amounts of each Early Redemption Amount, each Accrued Interest Payment and Consent Fee (where appropriate) for Securities in each Clearing System will be paid, in immediately available funds, by no later than the relevant Settlement Date to such Clearing System for payment to the cash accounts of the relevant Securityholders in such Clearing System, as further described in the Consent Solicitation Memorandum.

The Meetings

Notices convening the Meetings, to be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ on 25 October 2018, have been given to Securityholders in accordance with the relevant Trust Deed on or around the date of the Consent Solicitation Memorandum.

The Meeting in relation to the 2021 Securities is to be held at 10.00 a.m. (London time) on 25 October 2018. The Meeting in relation to the 2025 Securities is to be held at 10.15 a.m. (London time) on 25 October 2018.

At each Meeting, holders of the relevant Series will be invited to consider and, if thought fit, pass the relevant extraordinary resolution (each, an “**Extraordinary Resolution**”) to approve the implementation of the relevant Proposal.

The quorum required for each Meeting is one or more persons present holding Securities of the relevant Series or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than two-thirds of the nominal amount of the relevant Series for the time being outstanding. In the event the necessary quorum is not obtained at a Meeting, such Meeting shall stand adjourned for a period being not less than 13 clear days nor more than 42 clear days. At any adjourned Meeting, one or more persons present in person holding Securities of the relevant Series or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-third of the nominal amount of the relevant Series for the time being outstanding will form a quorum.

To be passed, each Extraordinary Resolution requires a majority consisting of not less than three-fourths of the votes cast at the relevant Meeting. If passed, such Extraordinary Resolution shall be binding on all holders of the relevant Series, whether present or not at the relevant Meeting and whether or not voting.

The implementation of an Extraordinary Resolution, if passed, is conditional on the Company not having previously terminated the Consent Solicitation in respect of the relevant Series in accordance with the provisions for such termination set out in the Consent Solicitation Memorandum and subject to the Company and the Trustee executing and delivering the relevant Supplemental Trust Deed.

Securityholders should refer to the relevant Notice for full details of the procedures in relation to the relevant Meeting.

Announcements

The Company will announce the results of the Meetings as soon as reasonably practicable after the Meetings. The Company will confirm the relevant Settlement Date for each Series at the same time as the announcement(s) of the results of the Meetings.

Indicative Timetable

Date and time (all times are London time)	Event
26 September 2018	Announcement of Consent Solicitation and Proposals.
4:00 p.m. on 22 October 2018	Consent Deadline.
10.00 a.m. on 25 October 2018	2021 Securities Meeting.
10:15 a.m. on 25 October 2018	2025 Securities Meeting.
As soon as reasonably practicable after the Meetings	Announcement of (i) the results of the Meetings and (ii) the relevant Settlement Date for each Series.
As soon as reasonably practicable after the relevant Meeting or any adjourned such Meeting, as the case may be	Execution and delivery of Supplemental Trust Deeds.
No later than the fifth Business Day following the relevant Meeting or any adjourned such Meeting, as the case may be	Expected Settlement Date. If the relevant Extraordinary Resolution is passed and the relevant Supplemental Trust Deed is executed and delivered, this will be the date on which: <ul style="list-style-type: none">(i) the relevant Series is redeemed pursuant to the relevant Issuer Early Redemption;(ii) the relevant Early Redemption Amount and relevant Accrued Interest Payment is paid to the holders of the relevant Series; and(iii) where payable, the Consent Fee is paid to the relevant Securityholders.

The above dates and times are subject to the right of the Company to extend, re-open, amend and/or terminate the Consent Solicitation (other than the terms of the Extraordinary Resolutions) as described in the Consent Solicitation Memorandum and the passing of the Extraordinary Resolutions.

Securityholders are advised to check with any bank, securities broker or other intermediary through which they hold their Securities when such intermediary would need to receive instructions from a Securityholder in order for such Securityholder to participate in, or (in the limited circumstances in which revocation is permitted) to validly revoke their instruction to participate in, the Consent Solicitation and/or vote in respect of either or both of the Proposals before the deadlines specified above. **The deadlines set by any such intermediary and each Clearing System for the submission and (where permitted) revocation of Solicitation Instructions will be earlier than the relevant deadlines above and in the Consent Solicitation Memorandum.**

Subject as provided in the Consent Solicitation Memorandum, the Settlement Date for the relevant Series may be earlier than the above date.

Unless stated otherwise, announcements in connection with the Consent Solicitation and the Proposals will be made (i) by publication via RNS 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 Tabulation Agent.

Securityholders are advised to read carefully the Consent Solicitation Memorandum for full details of and information on the procedures for participating in the Consent Solicitation.

Requests for information in relation to the Consent Solicitation and the Proposals should be directed to:

The Solicitation Agent

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

Requests for information in relation to the submission of a Solicitation Instruction in favour of either Proposal should be directed to:

The Tabulation Agent

Lucid Issuer Services Limited

Tankerton Works
12 Argyle Walk
London WC1H 8HA
United Kingdom

Telephone: + 44 20 7704 0880
Attention: Arlind Bytyqi
Email: oldmutual@lucid-is.com

DISCLAIMER This announcement must be read in conjunction with the Consent Solicitation Memorandum. This announcement and Consent Solicitation Memorandum contain important information which should be read carefully before any decision is made with respect to the Consent Solicitation and the Proposal. If any Securityholder is in any doubt as to the action it should take, it is recommended to seek its own financial and legal advice, including in respect of any tax consequences, immediately from its broker, bank manager, solicitor, accountant or other independent financial, tax 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 participate in the Consent Solicitation or otherwise vote in respect of either or both of the Proposals. None of the Company, the Solicitation Agent, the Tabulation Agent, the Principal Paying Agent, the Registrar, the Trustee or any of their respective agents, directors, employees, representatives or affiliates makes any representation or recommendation as to whether Securityholders should participate in the Consent Solicitation or otherwise vote in respect of the relevant Proposal.

DISTRIBUTION RESTRICTIONS

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

Nothing in this announcement and/or the Consent Solicitation Memorandum constitutes or contemplates an offer of, an offer to purchase or the solicitation of an offer to purchase or sell any security in the United States or in any other jurisdiction.

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 CONSENT SOLICITATION AND THE PROPOSALS 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.