NEWS **RELEASE**

Old Mutual plc

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10 January 2017

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OLD MUTUAL PLC ANNOUNCES TENDER OFFER AND PROPOSAL FOR ITS OUTSTANDING £350,000,000 PERPETUAL PREFERRED CALLABLE SECURITIES

Old Mutual plc (the "**Company**") today announces its invitation to:

(i) holders (the "**Securityholders**") of its outstanding £350,000,000 Perpetual Preferred Callable Securities (the "**Securities**") to tender any and all of their Securities for purchase by the Company for cash (such invitation the "**Offer**"); and

(ii) Securityholders to approve, by Extraordinary Resolution, certain modifications to the terms and conditions of the Securities (the "**Conditions**") to provide for the Company to redeem (the "**Issuer Early Redemption**") all, but not some only, of the Securities remaining (if any) on completion of the Offer (the "**Proposal**"),

subject, in each case, to the terms and conditions set out in the Tender Offer and Solicitation Memorandum dated 10 January 2017 (the "**Tender Offer and Solicitation Memorandum**") including, in the case of the Offer, the offer and distribution restrictions described below and set out more fully in the Tender Offer and Solicitation Memorandum.

Copies of the Tender Offer and Solicitation 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 and Solicitation Memorandum.

Description of the Securities	ISIN/ Common Code	Outstanding principal amount	Purchase Price/Early Redemption Amount	Early Tender Payment/Early Consent Amount*	Total Early Purchase Consideration*	Amount subject to the Offer
£350,000,000 Perpetual Preferred Callable Securities	XS0215556 142 / 021555614	£273,203,000	103.00 per cent. of the principal amount of the Securities	3.00 per cent. of the principal amount of the Securities	106.00 per cent. of the principal amount of the Securities	Any and all

* The total consideration payable to Securityholders who submit tender instructions which are received by the Tender Agent by the Early Tender and Early Consent Deadline and whose Securities are accepted for purchase pursuant to the Offer comprises (i) the Purchase Price of 103.00 per cent. and (ii) the Early Tender Payment of 3.00 per cent. in each case of the principal amount of the relevant Securities, plus Accrued Interest.

For the avoidance of doubt a Securityholder who validly submits a Tender Instruction shall not be eligible to submit a Voting-Only Instruction or receive the Early Consent Amount and a Securityholder who validly submits a Voting-Only Instruction shall not be eligible to submit a Tender Instruction or receive the Early Tender Amount.

Rationale for the Offer and the Proposal

The purpose of the Offer and the Proposal is to utilise available liquidity to manage the Company's debt maturity profile by reducing outstanding indebtedness and to reduce interest costs. In addition, the Offer will provide liquidity to relevant Securityholders.

Details of the Offer

In order to participate in the Offer, 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 30 January 2017 (the "**Expiration Deadline**").

The Company will pay, on the Settlement Date, a cash purchase price (the "**Purchase Price**") equal to 103.00 per cent. of the principal amount of the Securities accepted by it for purchase pursuant to the Offer plus the relevant Accrued Interest Payment.

Each Securityholder that validly tenders its Securities by way of a valid Tender Instruction that is received by the Tender Agent by 4.00 p.m. (London time) on 18 January 2017 (the "**Early Tender and Early Consent Deadline**") (and does not subsequently revoke such tender in the limited circumstances in which such revocation is permitted) and whose Securities are accepted for purchase pursuant to the Offer will receive, in addition to the Purchase Price and the relevant Accrued Interest Payment, and as additional consideration for its tender of Securities, an additional cash payment (the "**Early Tender Payment**") equal to 3.00 per cent. of the principal amount of the relevant Securities. Therefore, the total consideration payable to Securityholders who validly tender their Securities in the Offer by the Early Tender and Early Consent Deadline will be equal to (i) 106.00 per cent. of the principal amount of the relevant Securities (the "**Total Early Purchase Consideration**") plus (ii) the Accrued Interest Payment.

By tendering Securities in the Offer, Securityholders will automatically instruct the Principal Paying Agent to appoint one or more representatives of the Tender Agent as their proxy to vote in favour of the Extraordinary Resolution at the Meeting. It will not be possible to validly tender Securities in the Offer without at the same time giving such instructions to the Principal Paying Agent.

To be eligible for the Purchase Price and (where applicable) the Early Tender Payment, Securityholders who tender their Securities must not attend, or seek to attend, the Meeting in person or make any other arrangements to be represented at the Meeting (other than by way of the relevant Tender Instruction(s)). Any such Securityholder that separately seeks to appoint a proxy to vote at the relevant Meeting on its behalf or attends the Meeting in person or makes

other arrangements to be represented at the Meeting (other than by way of the relevant Tender Instruction(s)) will not be eligible for the Purchase Price and (where applicable) the Early Tender Payment, irrespective of whether such Securityholder has delivered a Tender Instruction or such other arrangements are made by the above deadlines.

Details of the Proposal

The Company is inviting the holders of the Securities to approve certain modifications to the terms and conditions of the Securities (the "**Conditions**") to provide for the Company to redeem (the "**Issuer Early Redemption**") all, but not some only, of the Securities remaining (if any) on completion of the Offer, at an early redemption price of 103.00 per cent. of the principal amount of the Securities (the "**Early Redemption Amount**") plus Accrued Interest.

In order to participate in the Proposal, any Voting-Only Instruction in favour of the Proposal given by a Securityholder must be received by the Tender Agent by the Expiration Deadline. However, in order for the Securityholder to be eligible for the Early Consent Amount (defined below), such Voting-Only Instructions must be received by the Tender Agent by the Early Tender and Early Consent Deadline.

Notice (the "**Notice**") of a meeting (the "**Meeting**") of the Securityholders to be held at the offices of Linklaters LLP of One Silk Street, London EC2Y 8HQ, United Kingdom at 4.00 p.m. (London Time) on 1 February 2017 has been given to Securityholders in accordance with the Conditions by delivery of the Notice to Euroclear and Clearstream, Luxembourg and by publication through RNS and on the website of the Company at www.oldmutual.com.

At the Meeting, the Securityholders will be asked to consider and, if thought fit, pass an extraordinary resolution as set out in the Notice (the "**Extraordinary Resolution**"), which will provide, among other things, for the Trustee to be authorised and requested to concur in and execute the Supplemental Trust Deed to effect the necessary modifications pursuant to the Extraordinary Resolution in order to implement the Proposal.

The quorum required for the Extraordinary Resolution to be considered at the Meeting is one or more persons present and holding or representing in the aggregate not less than two-thirds of the principal amount of the Securities for the time being outstanding. In the event such quorum is not present within 15 minutes (or such longer period not exceeding thirty minutes as the chairman may decide) from the time initially fixed for the Meeting, the Meeting shall be adjourned until such date, not less than 14 nor more than 42 days later, and time and place as may be appointed by the chairman of the Meeting and approved by the Trustee. At any such adjourned Meeting one or more persons present and holding or representing in the aggregate not less than one-third of the principal amount of the Securities for the time being outstanding will form a quorum.

Any Securityholder who does not wish, or who is not able, to tender its Securities for purchase pursuant to the Offer may also be eligible, to the extent permitted by applicable laws and regulations and subject to the conditions set out in the Tender Offer and Solicitation Memorandum, to receive an amount equal to 3.00 per cent. of the nominal amount of such Securityholder's Securities (the "**Early Consent Amount**") by delivering, or arranging to have delivered on their behalf, a valid Voting Only Instruction in favour of the Proposal that is received

by the Tender Agent by the Early Tender and Early Consent Deadline. Payment of any Early Consent Amount is further conditional on the acceptance for purchase by the Company of the Securities validly tendered in the Offer, the passing of the Extraordinary Resolution and the execution by the Company and the Trustee of the Supplemental Trust Deed.

Where payable, Early Consent Amounts will be paid by the Company to relevant Securityholders on the Settlement Date in the same manner as the payment of the Purchase Price, Accrued Interest Payment and Early Tender Payment (if applicable) is made to eligible Securityholders.

By submitting a Voting Only Instruction Securityholders will automatically instruct the Principal Paying Agent to appoint one or more representatives of the Tender Agent as their proxy to vote in respect of the Extraordinary Resolution at the Meeting. It will not be possible to validly submit Voting Only Instructions in favour of the Proposal without at the same time giving such instructions to the Principal Paying Agent.

If passed, the Extraordinary Resolution shall be binding on all Securityholders, whether present or not at the Meeting and whether or not voting. The implementation, if passed, of the Extraordinary Resolution is conditional on the acceptance for purchase by the Company of the Securities that have been validly tendered in the Offer and the execution by the Company and the Trustee of the Supplemental Trust Deed.

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

General

The acceptance for purchase by the Company of Securities validly tendered in the Offer is not dependent on the Extraordinary Resolution being passed or the Supplemental Trust Deed being executed. However, if the Meeting is adjourned the Company may choose, in its sole discretion and without limiting its right to otherwise extend, re-open, amend, waive any condition of or terminate the Offer and/or the Proposal as provided in the Tender Offer and Solicitation Memorandum, to amend the terms and conditions of the Offer and/or the Proposal to provide for the Settlement Date to take place after such adjourned meeting on the same basis as for the original Meeting (and, for the avoidance of doubt, no such amendment to the Settlement Date will entitle Securityholders to revoke any Tender Instructions or Voting-Only Instructions in respect of the Proposal).

Under the Offer and the Proposal, all (i) Tender Instructions and (ii) Voting-Only Instructions will (subject to applicable law and the provisions of the Trust Deed) be irrevocable except in the limited circumstances described in the Tender Offer and Solicitation Memorandum.

Indicative Timetable

Date and time (all times are London time)	**Event**
Tuesday, 10 January 2017	Launch Date.
4.00 p.m. on Wednesday, 18 January 2017	Early Tender and Early Consent Deadline.

4.00 p.m. on Monday, 30 January 2017	Expiration Deadline.
4.00 p.m. on Wednesday, 1 February 2017	Meeting.
As soon as reasonably practicable after the Meeting	Announcement of (i) the results of the Meeting, (ii) the Company's decision whether to accept valid tenders of Securities for purchase pursuant to the Offer (including (if applicable) the announcement of the expected Settlement Date) and (iii) if the Extraordinary Resolution is passed and the Supplemental Trust Deed is executed, the date on which outstanding Securities are to be redeemed pursuant to the Issuer Early Redemption.
Friday, 3 February 2017	Expected Settlement Date (or, if an adjourned Meeting is required, such amended date as the Company may, in its sole discretion, choose to provide for the Settlement Date to take place after such adjourned Meeting on the same basis as for the original Meeting) and if the Extraordinary Resolution is passed and the Supplemental Trust Deed is executed, this will also be the date on which outstanding Securities are to be redeemed pursuant to the Issuer Early Redemption.

The above dates and times are subject to the right of the Company to extend, re-open, amend, terminate and/or waive any condition of the Offer and/or the Proposal. 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, the Offer or the Proposal before the deadlines specified above. The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions and Voting-Only Instructions will be earlier than the relevant deadlines above.

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

The Company is under no obligation to accept any tender of Securities for purchase pursuant to the 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 the Offer is terminated, if any such tender does not in the determination of the Company comply with the requirements of a particular jurisdiction

or if the Company decides not to accept any tenders of Securities should the Extraordinary Resolution not be passed or for any other reason.

Unless stated otherwise, announcements in connection with the Offer and the Proposal will be made (i) by publication via RNS and on the website of the Company at 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 announcements, notices and press releases can also be obtained from the Tender Agent.

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

Requests for information in relation to the Offer or the Proposal 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

Nedbank Limited, London Branch
1st Floor
Millennium Bridge House
2 Lambeth Hill
London EC4V 4GG

Telephone: +44 20 7002 3420
Attention: Head of Legal and Head of Compliance
Email:
liability.management@nedbank.co.uk

Requests for information in relation to the procedures for tendering Securities and participating in the Offer, and the submission of a Tender Instruction or a Voting-Only Instruction in favour of the Proposal 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: David Shilson
Email: oldmutual@lucid-is.com

DISCLAIMER This announcement must be read in conjunction with the Tender Offer and Solicitation Memorandum. This announcement and the Tender Offer and Solicitation Memorandum contain important information which should be read carefully before any decision is made with respect to the Offer or the Proposal. If any Securityholder is in any doubt as to the

action it should take or is unsure of the impact of the implementation of the Proposal or the Extraordinary Resolution to be proposed at the Meeting, 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 the Offer or otherwise participate in the Proposal. None of the Dealer Managers, the Tender Agent, the Trustee or the Company makes any recommendation whether Securityholders should tender Securities in the Offer or otherwise participate in the Proposal.

OFFER AND DISTRIBUTION RESTRICTIONS

Neither this announcement nor the Tender Offer and Solicitation Memorandum constitutes an offer to buy or the solicitation of an offer to sell Securities (and tenders of Securities for purchase pursuant to the Offer 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 Offer 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 Offer 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 and Solicitation Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement and/or the Tender Offer and Solicitation Memorandum comes are required by the Company, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions.

United States: The Offer is 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 and Solicitation Memorandum and any other documents or materials relating to the Offer 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 Offer 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 Offer 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 Offer will represent that it is not a U.S. Person, it is not located in the United States and is not participating in the Offer 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 Offer 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 Offer, this announcement, the Tender Offer and Solicitation Memorandum or any other documents or materials relating to the Offer 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 Offer is 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 Offer 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 Offer.

United Kingdom: The communication of this announcement, the Tender Offer and Solicitation Memorandum and any other documents or materials relating to the Offer is 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 Offer is not being made, directly or indirectly, to the public in the Republic of France ("**France**"). Neither this announcement, the Tender Offer and Solicitation Memorandum nor any other documents or materials relating to the Offer 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 Offer. This announcement, the Tender Offer and Solicitation Memorandum and any other document or material relating to the Offer have not been and will not be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.

Belgium: Neither this announcement, the Tender Offer and Solicitation Memorandum nor any other documents or materials relating to the Offer have been submitted to or will be submitted for approval or recognition to the Financial Services and Markets Authority (Auto*rité des services et marches financiers / Autoriteit financiële diensten en markten*) and, accordingly, the Offer may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids (the "**Belgian Takeover Law**") as amended or replaced from time to time. Accordingly, the Offer may not be advertised and the Offer will not be extended, and neither this announcement, the Tender Offer and Solicitation Memorandum nor any other documents or materials relating to the Offer (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than (i) to "qualified investors" in the sense of Article 10 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets, acting on their own account or (ii) in any circumstances set out in Article 6, §4 of the Belgian Takeover Law. This announcement and the Tender Offer and Solicitation Memorandum have been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Offer. Accordingly, the information contained in this announcement, the Tender Offer and Solicitation Memorandum may not be used for any other purpose or disclosed to any other person in Belgium.

Enquiries

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Notes to Editors

Old Mutual provides investment, savings, insurance and banking services to 18.9 million customers in Africa, the Americas, Asia and Europe. Originating in South Africa in 1845, Old Mutual has been listed on the London and Johannesburg Stock Exchanges, among others, since 1999.

Old Mutual has announced a strategy of managed separation, which will entail separating its four businesses into standalone entities. The four businesses are:

Old Mutual Emerging Markets: An African financial services leader, providing long-term savings, protection, investment and lending to retail and corporate customers

Nedbank: Old Mutual owns a 54% stake in Nedbank, one of South Africa's top four banks, providing wholesale and retail banking, insurance and asset management for individuals and businesses

Old Mutual Wealth: a leading wealth management business in the UK and international markets

OM Asset Management: Old Mutual owns 51% in the New York Stock Exchange listed OM Asset Management which offers a diverse range of investment strategies and products for institutions, delivered worldwide through seven US-based boutiques.

For the year ended 31 December 2015, Old Mutual reported an adjusted operating profit before tax of £1.7 billion and had £304 billion of funds under management. For further information on Old Mutual plc and the underlying businesses, please visit the corporate website at www.oldmutual.com