

31 January 2018

BrightHouse Group plc (the “Company”): Results of the Exchange Offer and the Consent Solicitation for the Existing Notes

Results of the Exchange Offer and the Consent Solicitation

This Announcement Contains Inside Information

The Company announces today the final results of: (1) an invitation to all holders of Existing Notes (the “**Existing Noteholders**”) to tender their Existing Notes and release claims thereunder in exchange (the “**Exchange Offer**”) for the following (the “**Consideration**”): (a) interests in notes (the “**New Notes**”) to be issued under a new indenture by a finance subsidiary of the Company, BrightHouse Finco Limited (the “**Issuer**”) incorporated in Jersey and (b) either (i) certain cash consideration; or (ii) certain shares (the “**New Shares**”) in the capital of BrightHouse Topco Limited (“**TopCo**”), which will be the indirect parent of the Company as of the Settlement Date; and (2) a solicitation of consents (the “**Consent Solicitation**”) to certain amendments to the indenture governing the Existing Notes.

The Exchange Offer and the Consent Solicitation are subject to the terms and conditions of the exchange offer memorandum and consent solicitation statement issued by the Company on 19 December 2017, as supplemented by supplements dated 22 December 2017 and 23 January 2018 (the “**Exchange Offer Memorandum**”). Capitalised terms used but not defined herein shall have the meanings assigned to them in the Exchange Offer Memorandum.

1. As of 11:59 p.m., New York City Time, on 30 January 2018 (the “**Expiration Time**”), Existing Notes in the aggregate principal amount of £217,900,000.00 were validly tendered in the Exchange Offer, representing 99.05% of the aggregate principal amount of the Existing Notes outstanding (the “**Tendered Existing Notes**”). Holders of 96.35% of Tendered Existing Notes elected the Equity Option. Holders of 3.65% of Tendered Existing Notes elected the Cash-Out Option. The Company has accepted all Tendered Existing Notes for exchange in the Exchange Offer.
2. As of the Expiration Time, Existing Noteholders representing 99.05% of the aggregate principal amount of the Existing Notes outstanding have consented to the Proposed Amendments. Therefore, the Requisite Consents were obtained and the Supplemental Indenture will become effective on the Settlement Date.
3. On the Settlement Date, the Company will exchange the Tendered Existing Notes for the consideration set out in the table below:
- 4.

Aggregate principal amount of Tendered Existing Notes	Percentage of Existing Notes outstanding	Consideration		
		Aggregate principal amount of New Notes	Aggregate New Shares ¹	Aggregate cash amount
£217,900,000.00	99.05%	£114,285,000 ²	9,700,024	£2,078,097.70 ³

5. On the Settlement Date, the Company will also redeem the Hold-Out Existing Notes pursuant to the Hold-Out Redemption Provision for the Hold-Out Consideration set out in the table below:

Aggregate principal amount of Hold-Out Notes	Percentage of Existing Notes outstanding	Hold-Out Consideration	
		Aggregate principal amount of New Notes	Aggregate cash amount
£2,100,000.00	0.95%	£806,000.00 ⁴	£767,559.85 ⁵

6. Therefore, on the Settlement Date, the Existing Noteholders will receive the following in exchange for the Existing Notes: (1) the aggregate principal amount of £115,091,000.00 New Notes to be issued by the Issuer; (2) 9,700,024 New Shares to be issued by TopCo, representing 97.00% of the issued share capital of TopCo; and (3) an aggregate of £2,845,657.54 in cash.

Existing Noteholders may obtain a copy of the Exchange Offer Memorandum from the Exchange Agent and the Information Agent as set out below.

Settlement Date

The Settlement Date is subject to various customary conditions including, but not limited to, certain authorisations from the UK Financial Conduct Authority (“FCA”) and the Malta Financial Services Authority (“MFSA”).

¹ This will represent 97.00% of the shares in the capital of TopCo. This includes the New Shares which will be issued to the Existing Noteholders who elected the Equity Option and the New Shares that will be issued to the Existing Noteholders who subscribed for additional New Shares under the Subscription Agreement. The remaining 3.00% of the shares in the capital of TopCo will be issued to Haig Luxembourg Holdco S.à r.l.

² After applicable rounding in relation to the minimum denomination of the New Notes. This includes (i) £3,670,253.13 being the amount equal to the accrued and unpaid interest on such Existing Notes that would have been payable as of the Settlement Date had such interest not been forfeited, based on (and in respect of) the aggregate principal amount of all Existing Notes; and (ii) £4,467,000 as an early consent fee (the “**Early Consent Fee**”) to be issued to Existing Noteholders that acceded to the Restructuring Support Agreement on or prior to 15 December 2017 and as of the Settlement Date have not breached any provision of, or terminated with respect to itself, the Restructuring Support Agreement. The Early Consent Fee will be issued pro rata to the Existing Noteholders who qualify for it based on their relative holdings of the Existing Notes as of the Expiration Time. As of the date of this announcement, holders of 97.52% of the Existing Notes are eligible for the Early Consent Fee.

³ This includes amounts to be paid pursuant to the Cash-Out Option and payments to be made by the Company in relation to certain entitlements to New Notes which were below the minimum denomination and will be paid in cash.

⁴ After applicable rounding in relation to the minimum denomination of the New Notes. This includes £35,371.88 being the amount equal to the accrued and unpaid interest on the Hold-Out Notes that would have been payable as of the Settlement Date had such interest not been forfeited, based on (and in respect of) the aggregate principle amount of all Existing Notes.

⁵ This includes amounts to be paid by the Company in relation to certain entitlements to New Notes which were below the minimum denomination and will be paid in cash.

The Company can report that it has received notification from the FCA that the FCA is minded to authorise Caversham Finance Limited (trading as BrightHouse (“**BrightHouse**”)), subject to certain conditions as detailed by the FCA being met by 7 February 2018, including that the Financial Restructuring has been completed as set out in clause 2 of the Restructuring Support Agreement.

The Company can also report that the MFSA has granted approval in accordance with the Maltese Insurance Business Act for the change in shareholding structure of Caversham Insurance (Malta) Limited (“**CIM**”) requested by CIM and resulting from the Financial Restructuring.

The Company currently expects the Settlement Date to be 2 February 2018.

ENDS

Notes

For further information, please contact BrightHouse Group plc:
investor.relations@brighthouse.co.uk.

About BrightHouse:

BrightHouse is the UK’s leading rent-to-own retail chain, providing quality branded domestic appliances, technology products and household furniture to customers on affordable weekly payments. A major employer in local communities, BrightHouse has some 280 stores nationwide and 2,800 colleagues.

More information about the business can be found on the Company’s website:
www.brighthousegroup.co.uk.

For media enquiries please contact CNC:

Simon Evans / Liam Clark on +44 20 3219 8800 or brighthouse@cnc-communications.com

Existing Noteholders:

For further information and to obtain a copy of the Exchange Offer Memorandum, please contact the “Exchange Agent” and the “Information Agent” at the telephone number or address set forth below:

Lucid Issuer Services Limited

Tankerton Works
12 Argyle Walk
London WC1H 8HA
United Kingdom

Attn: Sunjeeve Patel / Paul Kamminga

Telephone: +44 20 7704 0880

Email: brighthouse@lucid-is.com

You may also contact the Escrow Agent and the Subscription Agent (as defined in the Exchange Offer Memorandum) at the telephone number or address set forth below in respect of the New Shares and the election of the Equity Option (as defined in the Exchange Offer Memorandum):

Global Loan Agency Services Limited

45 Ludgate Hill
London EC4M 7JU
United Kingdom

Attn: Lee Morrell / Richard Kerry

Telephone: +44 (0)20 3597 2940

Fax: +44 (0)20 3070 0113

Email: tmg@glas.agency

This announcement must be read in conjunction with the Exchange Offer Memorandum. The announcement and the Exchange Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Exchange Offer and Consent Solicitation. If you are in doubt as to the contents of this announcement or the Exchange Offer Memorandum or the action you should take, you are recommended to seek your own financial and legal advice, including as to any tax consequences, immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial or legal adviser.

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

Offer and Distribution Restrictions:

Neither this announcement, nor the Exchange Offer Memorandum constitute an invitation to participate in the Exchange Offer and the Consent Solicitation in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws. The distribution of this announcement and the Exchange Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement or the Exchange Offer Memorandum comes are required by the Company and the Exchange Agent and the Information Agent to inform themselves about, and to observe, any such restrictions.

No action has been or will be taken in any jurisdiction by the Company or the Exchange Agent or the Information Agent in relation to the Exchange Offer that would permit a public offering of any securities.

Notice to European Economic Area Investors:

Neither this announcement nor the Exchange Offer Memorandum is a prospectus and are being distributed to a limited number of recipients for the sole purpose of assisting such recipients in determining whether to proceed with a further investigation of the Offered Securities. This announcement and the Exchange Offer Memorandum have been prepared on the basis that all offers of the Offered Securities will be made pursuant to an exemption under the Prospectus Directive (as defined below), as implemented in Member States of the European Economic Area (the “**EEA**”), from the requirement to produce a prospectus for offers of securities. Accordingly, any person making or intending to make any offer within the EEA of the Offered Securities, which are the subject of this announcement and the Exchange Offer Memorandum, should only do so in circumstances in which no obligation arises for the Issuer or TopCo to produce a prospectus in accordance with the requirements of the Prospectus Directive for such offer. No Group entity has authorised, nor does it authorise, the making of any offer of the Offered Securities through any financial intermediary.

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), including each Relevant Member State that has implemented the 2010 PD Amending Directive (each an “**Early Implementing Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) the Company has not made and will not make an offer of the Offered Securities to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Offered Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that the Company may, with effect from and including the Relevant Implementation Date, make an offer of the Offered Securities to the public in the Relevant Member State at any time:

- (a) to “qualified investors” as defined in the Prospectus Directive, including:

- (i) (in the case of Relevant Member States other than Early Implementing Member States), legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities, or any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43.0 million and (iii) an annual turnover of more than €50.0 million as shown in its last annual or consolidated accounts; or
 - (ii) (in the case of Early Implementing Member States), persons or entities that are described in points (1) to (4) of Section I of Annex II to Directive 2004/39/EC of the European Parliament and of the Council of April 21, 2004 on Markets in Financial Instruments, and those who are treated on request as professional clients in accordance with Annex II to Directive 2004/39/EC, or recognised as eligible counterparties in accordance with Article 24 of Directive 2004/39/EC unless they have requested that they be treated as non-professional clients;
- (b) to fewer than 100 or, in the case of Early Implementing Member States, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in any Relevant Member State subject to obtaining the prior consent of the Company; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of the Offered Securities shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this restriction, the expression “offer of the public” in relation to any Offered Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offering and the Offered Securities to be offered so as to enable an investor to decide to subscribe for the Offered Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. For the purposes of this provision, the expression “**Prospectus Directive**” means Directive 2003/7/EC of the European Parliament and of the Council of November 4, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (including the 2010 PD Amending Directive, in the case of Early Implementing Member States) and amendments thereto, and includes any relevant implementing measure in the Relevant Member State. The expression “**2010 PD Amending Directive**” means Directive 2010/73/EC of the European Parliament and of the Council of November 24, 2010 amending Directives 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading and 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

Notice to U.K. Investors:

The issue and distribution of this announcement and the Exchange Offer Memorandum is restricted by law. This announcement and the Exchange Offer Memorandum are not being distributed by, nor have they been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”) by, a person authorised under the FSMA. This announcement and the Exchange Offer Memorandum are for distribution only to persons who (i) have professional experience in matters relating to investments (being investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Order**”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any Offered Securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**relevant persons**”). This announcement and the Exchange Offer Memorandum are directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this announcement and the Exchange Offer Memorandum relate is available only to relevant

persons and will be engaged in only with relevant persons. No part of this announcement or the Exchange Offer Memorandum should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the prior written consent of the Company.

Notice to Luxembourg Investors:

Neither this announcement, nor the terms and conditions of the Exchange Offer Memorandum have been approved by, or will be submitted for approval to, the Luxembourg Financial Services Authority (Commission de Surveillance du Secteur Financier) for the purposes of public offering and sale of any securities in the Grand Duchy of Luxembourg (“**Luxembourg**”).

Accordingly, no offer of Offered Securities to the public will be made pursuant to this announcement or the Exchange Offer Memorandum, except in circumstances which do not constitute an offer of securities to the public, subject to prospectus requirements, in accordance with the Luxembourg Act of July 10, 2005 on prospectuses for securities, as amended, nor provided to any person other than the recipient thereof. The Offered Securities are offered to a limited number of sophisticated investors in all cases under circumstances designed to preclude a distribution, which would be other than a private placement. All public solicitations are banned and the sale may not be publicly advertised.

Notice to U.S. Investors:

The Exchange Offer is being made in the United States in reliance upon an exemption from registration under the U.S. Securities Act for an offer of the Offered Securities, which does not involve a public offering. In participating in the Exchange Offer, you will be deemed to have made certain acknowledgments, representations and agreements. Please see “Transfer Restrictions” sections of the Exchange Offer Memorandum.

This announcement and the Exchange Offer Memorandum are being provided (1) to a limited number of U.S. investors that the Company reasonably believes to be “qualified institutional buyers” under Rule 144A under the U.S. Securities Act or institutional “accredited investors” as defined in Rule 501(a)(1), (2), (3) or (7) under the U.S. Securities Act for informational use solely in connection with their consideration of the Offered Securities and (2) to investors outside the United States in connection with offshore transactions complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act. The Offered Securities described in this announcement and the Exchange Offer Memorandum have not been registered with, recommended by or approved by the SEC, any state securities commission in the United States or any other securities commission or regulatory authority, nor has the SEC, any state securities commission in the United States or any such securities commission or authority passed upon the accuracy or adequacy of this announcement or the Exchange Offer Memorandum. Any representation to the contrary is a criminal offense.

Notice to Investors in Jersey:

This announcement and the Exchange Offer Memorandum relate to an exchange offer and consent solicitation and do not constitute an offer or invitation to the public of Jersey to subscribe for the Offered Securities offered hereby or thereby and do not otherwise constitute a prospectus for the purposes of Jersey law. No regulatory approval has been sought to the Exchange Offer in Jersey. The offer of the Offered Securities is personal to the person to whom this announcement and the Exchange Offer Memorandum are being delivered by or on behalf of the Company, and a subscription for the Offered Securities will only be accepted from such person. Neither this announcement nor the Exchange Offer Memorandum may be produced or used for any other purpose, or be furnished to any other person other than those to whom they have been so delivered.

If you are in any doubt about the contents of this announcement or the Exchange Offer Memorandum you should consult your stockbroker, bank manager, solicitor, accountant or other financial advisor. It should be remembered that the price of securities and the income from them can go down as well as up.

Notice to Investors in other Jurisdictions:

The distribution of this announcement and the Exchange Offer Memorandum and delivery of the Offered Securities in certain jurisdictions may be restricted by law. Neither this announcement nor the Exchange Offer Memorandum constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. Persons into whose possession this announcement or the Exchange Offer Memorandum come are required to inform themselves of such restrictions, legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of the Offered Securities, and any foreign exchange restrictions that may be relevant thereto.

General:

Each Existing Noteholder participating in an Exchange Offer and the Consent Solicitation will be deemed to give certain representations in respect of certain jurisdictions, including those referred to above and generally as set forth in the “*The Exchange Offer and the Consent Solicitation - Tender of Existing Notes and Delivery of Consents through the Clearing Systems - Acknowledgements, Representations, Warranties and Undertakings*” section of the Exchange Offer Memorandum. Any offer of Existing Notes for exchange pursuant to the Exchange Offer from an Existing Noteholder that is unable to make these representations will not be accepted. Each of the Company, the Exchange Agent and the Information Agent reserves the right, in its absolute discretion, to investigate, in relation to the offer of Existing Notes for exchange pursuant to the Exchange Offer, whether any such representation given by an Existing Noteholder is correct and, if such investigation is undertaken and as a result the Company determines (for any reason) that such representation is not correct, such offer shall not be accepted.

Disclaimers:

This announcement has been prepared by the Company exclusively for information purposes. It does not constitute or include any advice or recommendation by the Company (or any other person) regarding the securities of the Company or as to the merits of any transaction or the making of any investment decision. It does not constitute or include any confirmation or commitment by the Company (or any other person) regarding the present or future value of the business of the Company, its securities, its affiliates or any of the Company's or their assets.

This announcement does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company or any other person in the United States or any other jurisdiction. This announcement is not directed at, or intended for distribution, publication, availability to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law or regulation, or which would require any registration or licensing within such jurisdiction.

This announcement includes statements, estimates, opinions and projections with respect to anticipated future performance of BrightHouse (“forward-looking statements”) which reflect various assumptions concerning anticipated results taken from BrightHouse’s current business plan or from public sources, which may or may not prove to be correct. Such forward-looking statements reflect the Company’s expectations as of the date of this announcement, based on BrightHouse’s then current business plan and various other assumptions and involve significant risks and uncertainties and should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved.

Although the Company believes that the expectations reflected in the forward-looking statements were reasonable at the time they were made, the Company can give no assurances that they will materialise or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements. It is up to the recipient of this announcement to make its own assessment of the validity of such forward-looking statements and assumptions and no liability is accepted by the Company, or any director, officer, employee, agent, partner, affiliate, manager or adviser of the Company or any other person in respect of the achievement of such forward-looking statements and assumptions. In particular, the Company and any director, officer, employee, agent, partner, affiliate, manager or adviser of the Company

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