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(Incorporated and registered in England and Wales under the number 01397169)
(Stock code: 2378)

OVERSEAS REGULATORY ANNOUNCEMENT

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

NOTHING IN THIS ANNOUNCEMENT CONSTITUTES AN OFFER TO BUY OR THE SOLICITATION OF AN OFFER TO SELL SECURITIES IN ANY JURISDICTION.

Invitations by Prudential plc in respect of certain senior bonds

Prudential plc (the “**Company**”) has today extended invitations to the holders of the senior bonds referred to in the table below (the “**Holders**”) to consider and, if thought fit, vote in respect of certain modifications to the terms and conditions of such senior bonds (the “**Proposal**”).

This announcement does not contain the full terms and conditions of the Proposal, which are contained in the consent solicitation memorandum dated 25 July, 2018 (the “**Memorandum**”) prepared by the Company. Holders may obtain a copy of the Memorandum from the Tabulation Agent, the contact details for which are set out below. In order to receive a copy of the Memorandum, a Holder will be required to provide certain confirmations as to his or her status as a Holder. Holders are advised to read carefully the Memorandum.

Capitalised terms used in this announcement but not defined have the meanings given to them in the Memorandum.

Description of the Bonds

Description of the Bonds	ISIN	Outstanding nominal amount	Voting Fee*	Early Voting Amount*	Total early consideration* **
£300,000,000 6 7/8 per cent. Bonds due 2023 (the “ 2023 Bonds ”)	XS0083544212	£300,000,000	0.50	1.50	2.00
£250,000,000 5 7/8 per cent. Bonds due 2029 (the “ 2029 Bonds ” and, together with the 2023 bonds, the “ Bonds ” and each a “ Series ”)	XS0096874671	£250,000,000	3.50	7.50	11.00

* Expressed as a percentage of the nominal amount of the Bonds of the relevant Series

****** Holders who submit an Instruction (whether in favour of or against the relevant Extraordinary Resolution) in relation to any of their Bonds which is received by the Tabulation Agent prior to 5.00 p.m. (London Time) on 8 August, 2018 (being the Early Voting Deadline) will be eligible to receive a total early consideration which comprises: (i) the Voting Fee, and (ii) the Early Voting Amount, subject as further described herein.

The Proposal has been considered by a Special Committee (the “**Special Committee**”) of The Investment Association (“**IA**”) at the request of the Company. The members of the Special Committee, who hold in aggregate approximately 42.90 per cent. of the aggregate nominal amount of the Bonds currently outstanding, have examined the Proposal. They have informed the Company: (i) that they find the Proposal acceptable; and (ii) that, subject to client and other approvals, they intend to vote in favour of the Proposal in respect of their holdings of Bonds. The Special Committee has advised the Company that this recommendation relates only to the proposals set out in the Memorandum with respect to the Bonds and not to any future offers or proposals which the Company may make.

Rationale for the Proposal

In March 2018, the Company announced its intention to demerge its UK and Europe business (“**M&G Prudential**”), resulting in two separately-listed companies (the “**Demerger**”). On completion of the Demerger, shareholders will hold interests in both the Company and M&G Prudential.

On completion of the Demerger, The Prudential Assurance Company Limited will cease to be a subsidiary of the Company. Pursuant to the terms and conditions currently applicable to the Bonds, this would constitute an Event of Default if certain other conditions were also met. The Proposal is therefore intended to enable an amendment to the terms and conditions currently applicable to the Bonds in order to avoid an Event of Default should the Demerger proceed.

Key terms and conditions of the Proposal

The Company has invited Holders of each Series to instruct the Principal Paying Agent to appoint one or more representatives of the Tabulation Agent as their proxy to attend a meeting convened in respect of the relevant Series (each a “**Meeting**”) and to vote in the manner specified in such instruction in respect of an extraordinary resolution proposed by the Company (the details of which are set out in full in the Memorandum and are summarised below). Among other things, the extraordinary resolution for each Series provides for the Trustee to be authorised and requested to execute a supplemental trust deed in order to supplement the 2023 Trust Deed or the 2029 Trust Deed and remove Condition 8(viii) from the 2023 Bond Conditions or the 2029 Bond Conditions, each as applicable.

The Extraordinary Resolutions

If the extraordinary resolution proposed by the Company in relation to each Series (each an “**Extraordinary Resolution**”) is passed and the amendment referred to therein is subsequently implemented, the terms and conditions of each Series (the “**Bond Conditions**”) will be modified by:

- (i) the deletion of paragraph (viii) of Condition 8; and
- (ii) the replacement of the reference to paragraph (viii) in the opening sentence of Condition 8 with a reference to paragraph (vii),

with no other amendments being made to the Bond Conditions.

Each Extraordinary Resolution is conditional on the passing of the Extraordinary Resolution in respect of the other Series.

Fees

Holders who submit a valid instruction in accordance with the terms and conditions set out in the Memorandum (whether in favour of or against the relevant extraordinary resolution) in relation to any of their Bonds which is received by the Tabulation Agent prior to the Final Voting Deadline (as set out below) will be eligible to receive the Voting Fee (as set out in the table above), subject to: (i) the relevant instruction not being revoked (in the limited circumstances in which such revocations are permitted); (ii) the extraordinary resolution being passed in respect of each Series; and (iii) the amendment referred to in each extraordinary resolution subsequently being implemented.

Holders who submit a valid instruction in accordance with the terms and conditions set out in the Memorandum (whether in favour of or against the relevant Extraordinary Resolution) in relation to any of their Bonds which is received by the Tabulation Agent prior to the Early Voting Deadline (as set out below) will be eligible to receive the Early Voting Amount (as set out in the table above), subject to: (i) the relevant instruction not being revoked (in the limited circumstances in which such revocations are permitted); (ii) the extraordinary resolution being passed in respect of each Series; and (iii) the amendment referred to in each extraordinary resolution subsequently being implemented. This amount shall be paid in addition to the Voting Fee.

Payment of any such amounts will be made on the Payment Date (as set out below).

This announcement does not contain the full terms and conditions of the Proposal, which are contained in the Memorandum. Holders are advised to read carefully the Memorandum.

Indicative timetable

The following indicative timetable sets out expected dates and times of the key events in relation to the Proposal. This is subject to change and will depend, among other things, on timely receipt (and non-revocation) of valid instructions, the right of the Company to extend, re-open, amend and/or withdraw the Proposal (other than the terms of the 2023 Extraordinary Resolution or 2029 Extraordinary Resolution) as described in the Memorandum and the passing of each extraordinary resolution at the first Meeting for the relevant Series. Accordingly, the actual timetable may differ significantly from the timetable below.

Date and time	Event
25 July, 2018	<i>Commencement of the Proposal</i>
5.00 p.m. (London Time) on 8 August, 2018	<i>Early Voting Deadline</i>
10.00 a.m. (London Time) on 14 August, 2018	<i>Final Voting Deadline</i>
10.00 a.m. (London Time) on 16 August, 2018	<i>Meeting in respect of the 2023 Bonds</i>
10.15 a.m. (London Time) on 16 August, 2018	<i>Meeting in respect of the 2029 Bonds</i>
<i>As soon as reasonably practicable after conclusion of both Meetings</i>	<i>Announcement of results of Meetings</i>
<i>No later than the fifth Business Day following implementation of the Amendment</i>	<i>Payment Date</i>

The deadlines set by any intermediary or the Clearing Systems will be earlier than certain of these deadlines. Holders should contact the intermediary through which they hold their Bonds as soon as possible to ensure proper and timely delivery of Instructions.

2023 Bondholders' Meeting

The initial 2023 Bondholders' Meeting will be held at the offices of Slaughter and May at One Bunhill Row, London EC1Y 8YY on 16 August, 2018 at 10.00 a.m. (London time). At the 2023 Bondholders' Meeting, Holders of 2023 Bonds will be asked to consider and, if thought fit, pass the 2023 Extraordinary Resolution.

The 2023 Bondholders' Meeting will require a quorum of two or more persons holding or representing a clear majority in principal amount of the 2023 Bonds for the time being outstanding, provided that if the initial 2023 Bondholders' Meeting is adjourned through lack of quorum, the quorum at such adjourned Meeting will be two or more persons being or representing Holders of 2023 Bonds whatever the principal amount of the Bonds for the time being outstanding so held or represented. Any such adjournment will be for a period of not less than 14 days nor more than 42 days.

To be passed, the 2023 Extraordinary Resolution will require a majority consisting of not less than three-quarters of the votes cast at the 2023 Bondholders' Meeting.

If passed, the 2023 Extraordinary Resolution shall be binding on Holders of 2023 Bonds, whether or not they are present at the relevant Meeting.

2029 Bondholders' Meeting

The initial 2029 Bondholders' Meeting will be held at the offices of Slaughter and May at One Bunhill Row, London EC1Y 8YY on 16 August, 2018 at 10.15 a.m. (London time).

At the 2029 Bondholders' Meeting, Holders of 2029 Bonds will be asked to consider and, if thought fit, pass the 2029 Extraordinary Resolution.

The 2029 Bondholders' Meeting will require a quorum of two or more persons holding or representing a clear majority in principal amount of the 2029 Bonds for the time being outstanding, provided that if the initial 2029 Bondholders' Meeting is adjourned through lack of quorum, the quorum at such adjourned Meeting will be two or more persons being or representing Holders of 2029 Bonds whatever the principal amount of the Bonds for the time being outstanding so held or represented. Any such adjournment will be for a period of not less than 14 days nor more than 42 days.

To be passed, the 2029 Extraordinary Resolution will require a majority consisting of not less than three-quarters of the votes cast at the 2029 Bondholders' Meeting.

If passed, the 2029 Extraordinary Resolution shall be binding on Holders of 2029 Bonds, whether or not they are present at the relevant Meeting.

Announcements

The Company will announce:

- (A) the results of each Meeting;
- (B) the outcome of the Proposal; and
- (C) the final Payment Date (as applicable),

as soon as reasonably practicable after the conclusion of both Meetings.

Unless stated otherwise, all announcements in connection with the Proposal will be made by: (i) publication through RNS; and (ii) the delivery of notices to the Clearing Systems for communication to Direct Participants. Such announcements may also be made (a) on the relevant Reuters Insider screen page and (b) by the issue of a press release to a financial news service selected by the Company (such as Reuters or Bloomberg).

Questions and requests for assistance in connection with the Proposal may be directed to the Solicitation Agents.

SOLICITATION AGENTS

Barclays Bank PLC	Goldman Sachs International	NatWest Markets Plc
5 The North Colonnade Canary Wharf London E14 4BB	Peterborough Court 133 Fleet Street London EC4A 2BB	250 Bishopsgate London EC2M 4AA
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Attention: Liability Management Group	Attention: Liability Management Group	Attention: Liability Management
Email: eu.lm@barclays.com	Email: liabilitymanagement.eu@gs.com	Email: liabilitymanagement@natwestmarkets.com

TABULATION AGENT

Lucid Issuer Services Limited

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12 Argyle Walk
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Telephone:
+44 20 7704 0880

Attention:
David Shilson / Alexander Yangaev

Email:
prudential@lucid-is.com

PRINCIPAL PAYING AGENT

Citibank, N.A., London Branch

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Canary Wharf
London E14 5LB

Person responsible

The person responsible for arranging the release of this announcement on behalf of Prudential plc is Alan Porter, Group General Counsel and Company Secretary.

Prudential plc is not affiliated in any manner with Prudential Financial, Inc. a company whose principal place of business is in the United States of America.

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DISCLAIMER

Please note that Holders must read this announcement in conjunction with the Memorandum. The Memorandum contains important information which should be read carefully before any decision is made with respect to the Proposal.

Holders who are in any doubt as to the action they should take or the impact of the Proposal or any related instruction are strongly advised to consult their own professional advisers, including as to any tax consequences.

None of the Company, the Solicitation Agents, the Principal Paying Agent, the Trustee, the Tabulation Agent or any director, officer, employee, agent or affiliate of any such person is acting for any Holder, or will be responsible to any Holder for providing any protections which would be afforded to its clients or for providing advice in relation to the Proposal or the matters referred to therein, and accordingly none of the Company, the Solicitation Agents, the Principal Paying Agent, the Trustee, the Tabulation Agent nor any of their respective directors, officers, employees, agents or affiliates makes any recommendation whatsoever regarding the Proposal and none of the Company, the Solicitation Agents, the Principal Paying Agent, the Tabulation Agent nor any of their respective directors, officers, employees, agents or affiliates makes any recommendation as to whether any Holder should submit any instruction in connection therewith.

Any materials relating to the Proposal do not constitute, and may not be used in connection with, any form of invitation, offer or solicitation in any place where such invitations, offers or solicitations are not permitted by law. If a jurisdiction requires that the Proposal be made by a licenced broker or dealer and any of the Solicitation Agents or any of their affiliates is a licensed broker or dealer in such jurisdiction, the Proposal shall be deemed to be made by the Solicitation Agents or such affiliate, as the case may be, on behalf of the Company in such jurisdiction.

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

25 July 2018, London

As at the date of this announcement, the Board of Directors of Prudential plc comprises:

Chairman

Paul Victor Falzon Sant Manduca

Executive Directors

Michael Andrew Wells (*Group Chief Executive*), Mark Thomas FitzPatrick CA, Stuart James Turner FCA, John William Foley, Nicolaos Andreas Nicandrou ACA, Anne Helen Richards and Barry Lee Stowe

Independent Non-executive Directors

Sir Howard John Davies, David John Alexander Law ACA, Kaikhushru Shiavax Nargolwala FCA, Anthony John Liddell Nightingale CMG SBS JP, The Hon. Philip John Remnant CBE FCA, Alice Davey Schroeder, Jonathan Adair Lord Turner FRS and Thomas Ros Watjen

** For identification purposes*