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John Lewis plc
17 October 2016

Announcement of Consent Solicitations in respect of certain Bonds

John Lewis plc (the “**Issuer**” or “**John Lewis**” or the “**Company**”) announced today invitations to holders of each series of bonds (“**Holders**”) described in the table below (together the “**Bonds**”, and each series of the Bonds a “**Series**”) to consent to certain amendments to the terms and conditions of the relevant Bonds as described under “*Proposals*” below (each such invitation a “**Consent Solicitation**” and collectively the “**Consent Solicitations**”).

This announcement does not contain the full terms and conditions of the Consent Solicitations, which are contained in the consent solicitation memorandum dated 17 October 2016 (the “**Consent Solicitation Memorandum**”) prepared by the Issuer. Subject to the restrictions described below, Holders may obtain a copy of the Consent Solicitation Memorandum from the Tabulation Agent, the contact details for which are set out below. In order to receive a copy of the Consent Solicitation 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 Consent Solicitation Memorandum.

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

Details of the Bonds

Description	ISIN	Outstanding principal amount
£275,000,000 8.375 per cent. Bonds due 2019	XS0421003665	£275,000,000
£300,000,000 6.125 per cent. Bonds due 2025	XS0527985583	£300,000,000
£300,000,000 4.250 per cent. Bonds due 2034	XS1140961563	£300,000,000

Proposals

The purpose of each Consent Solicitation is:

- (A) amend Condition 4(A) (*Covenants - Restrictions on borrowing and charging*) of the Conditions of each Series and insert new definitions of “Cash and Cash Equivalents” and “Net Moneys Borrowed” therein, such that the borrowing

covenant set out in Condition (4)(A)(1)(a) shall refer to the net borrowings of John Lewis rather than to gross borrowings as is currently the case; and

- (B) insert a new Condition 4(C) (*Investment Grade Rating Period*) into the Conditions of each Series, such that, for so long as such Series or the unsecured unsubordinated debt obligations of John Lewis (as applicable) is assigned an Investment Grade Rating by one or more of the Rating Agencies, the borrowing covenants in Condition 4(A) shall cease to apply to John Lewis,

(together, the “**Proposals**”).

In respect of each Series, the Proposals relating to such Series have been proposed by the Issuer for approval by an extraordinary resolution of the holders of such Series (an “**Extraordinary Resolution**”) at a meeting of such holders (each such meeting a “**Meeting**”).

Rationale for the Consent Solicitations

The covenants contained in John Lewis’ three Sterling bonds were originally put in place when the Company issued its first benchmark bond back in 1989, and would otherwise be in place in their current form until 2034, when the longest-dated bond matures. John Lewis is requesting approval for the Proposals to:

- align the total borrowings covenant more closely with market precedents, allowing for a fairer reflection of the Company’s balance sheet strength given its build-up of significant cash balances; and
- reflect the possibility that John Lewis may obtain a credit rating in the future, in which case it would be consistent with market practice for the existing borrowing covenants not to apply for so long as the Issuer is assigned an investment grade rating.

Meetings

At each Meeting, Holders will be invited to consider and, if thought fit, approve the Extraordinary Resolution relating to the relevant Series, as more fully described in the notice convening the relevant Meeting published by the Issuer on the date of this announcement (the “**Notice**”).

The implementation of the Proposals and the Extraordinary Resolution will be conditional on:

- (A) the passing of the Extraordinary Resolution; and
- (B) the quorum required for, and the requisite majority of votes cast at, the relevant Meeting being satisfied by Holders.

Instruction Fee

In relation to each Series of Bonds, the Issuer shall if the Extraordinary Resolutions in respect of each Series are duly passed and implemented, pay to those Holders from whom valid Electronic Voting Instructions are submitted in favour of the relevant Extraordinary Resolution before 4.00 p.m. on Friday 28 October 2016 (the “**Early Instruction Deadline**”) (and not revoked) an amount equal to 0.25 per cent. of the principal amount of the Bonds which are the subject of such

Electronic Voting Instructions, and pay to those Holders from whom valid Electronic Voting Instructions are submitted in favour of the relevant Extraordinary Resolution after the Early Instruction Deadline but prior to the Expiration Time (and not revoked) an amount equal to 0.10 per cent. of the principal amount of the Bonds which are the subject of such Electronic Voting Instructions.

Payment of any Instruction Fee is conditional upon (i) the Extraordinary Resolution in respect of the relevant Series being duly passed and the corresponding amendments to the Conditions of the relevant Series of Bonds being implemented, and (ii) the Extraordinary Resolutions in respect of each other Series of Bonds being duly passed and the corresponding amendments to the Conditions of each other Series of Bonds being implemented. However, the Issuer shall have full discretion to waive condition (ii) above.

The relevant Instruction Fee shall be paid in relation to any Series no later than the fourth Business Day after the Approval Date in respect of each Series of Bonds on which the Extraordinary Resolution is duly passed.

Indicative Timetable for the Consent Solicitations

<u>Event</u>	<u>Date</u>
Announcement of the Proposals	Monday 17 October 2016
Notice convening the Meeting published and delivered to the Clearing Systems for communication to Direct Participants	Monday 17 October 2016
Documents available for collection or inspection, as applicable, from the Tabulation Agent	Monday 17 October 2016
Early Instruction Deadline	4.00 p.m. on Friday 28 October 2016
Expiration Time	10.00 a.m. on Monday 7 November 2016
Time and date of the Meetings in respect of:	
2019 Bonds	10.00 a.m. on Wednesday 9 November 2016
2025 Bonds	10.15 a.m. on Wednesday 9 November 2016
2034 Bonds	10.30 a.m. on Wednesday 9 November 2016
Announcement of the results of the Meetings	As soon as reasonably practicable after the Meetings
Execution of the Supplemental Trust Deed	Thursday 10 November 2016

If the Extraordinary Resolution is duly passed and implemented, payment of the relevant Instruction Fee to Holders who have submitted valid Electronic Voting Instructions by the Early Instruction Deadline or the Expiration Time, as the case may be. Holders who are Sanctions Restricted Persons will not be eligible to receive any Instruction Fee.

Tuesday 15 November 2016

The above times and dates are subject to the right of the Issuer (subject to applicable law and the provisions of the Trust Deed constituting the Bonds, and as provided in the Consent Solicitation Memorandum) to extend, waive any condition of, amend and/or terminate any Consent Solicitation (other than the terms of the relevant Extraordinary Resolution) as described in the Consent Solicitation Memorandum and the passing of the Extraordinary Resolution at the first Meeting for the relevant Series.

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

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

Questions and requests for assistance in connection with the Consent Solicitations may be directed to the Solicitation Agents:

Solicitation Agents

HSBC Bank plc
8 Canada Square
London E14 5HQ

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP

Telephone: +44 207 992 6237
LM_EMEA@hsbc.com
Attention: Liability Management Group

Telephone: +44 207 134 2468
Email: emea_lm@jpmorgan.com
Attention: Liability Management

Tabulation Agent

Lucid Issuer Services Limited
Tankerton Works
12 Argyle Walk
London WC1H 8HA

Telephone: +44 20 7704 0880
Attention: David Shilson
Email: johnlewis@lucid-is.com

DISCLAIMER: This announcement must be read in conjunction with the Consent Solicitation Memorandum. The Consent Solicitation Memorandum contains important information which should be read carefully before any decision is made with respect to the Consent Solicitation. If any Holder is in any doubt as to the action it should take or is unsure of the impact of the implementation of the Proposals, 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 Bonds 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 participate in the Proposals. None of the Issuer, the Solicitation Agents, the Tabulation Agent, the Trustee or the Principal Paying Agent makes any recommendation as to whether Holders should participate in the Consent Solicitation or otherwise participate in the Proposals.

Nothing in this announcement 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 any jurisdiction. The distribution of this announcement and the Consent Solicitation Memorandum in certain jurisdictions may be restricted by law, and persons into whose possession this announcement or the Consent Solicitation Memorandum comes are requested to inform themselves about, and to observe, any such restrictions.

Each Holder participating in any Consent Solicitation will be required to make certain representations. Any Electronic Voting Instruction from a Holder that is unable to make these representations will not be accepted.