

**SUPPLEMENT DATED 17 JUNE 2019 TO THE OFFERING CIRCULAR
DATED 20 DECEMBER 2018**

MOTABILITY OPERATIONS GROUP PLC

(incorporated with limited liability in England and Wales with registered number 06541091)

£5,000,000,000

Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed by

MOTABILITY OPERATIONS LIMITED

(incorporated with limited liability in England and Wales with registered number 01373876)

This Supplement (the “**Supplement**”), to the Offering Circular dated 20 December 2018 (the “**Offering Circular**”) which comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive 2003/71/EC (as amended or superseded, including by Directive 2010/73/EU), and any implementing measure in the relevant Member State (the “**Prospectus Directive**”), constitutes a supplement for the purposes of the Prospectus Directive and is prepared in connection with the £5,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) established by Motability Operations Group plc (the “**Issuer**”) and unconditionally and irrevocably guaranteed by Motability Operations Limited (the “**Original Guarantor**”). The Financial Conduct Authority, as the UK competent authority under the Prospectus Directive, has approved this Supplement.

The purpose of this Supplement is to (a) incorporate by reference the Half Year Report for the six months ended 31 March 2019 of the Issuer, (b) to reference certain recent developments, and (c) update the use of proceeds to reference the Issuer making donations to the Motability charity.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular. Any statement contained in the Offering Circular or in a document which is incorporated by reference in the Offering Circular shall be deemed to be modified or superseded for the purpose of the Offering Circular to the extent that a statement contained in any document which is subsequently incorporated by reference in the Offering Circular by way of a supplement (including this Supplement) prepared in accordance with Article 16 of the Prospectus Directive modifies or supersedes such earlier statement (whether expressly, by implication or otherwise) and any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of the Offering Circular. Terms defined in the Offering Circular have the same meaning when used in this Supplement.

Each of the Issuer and the Original Guarantor accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer and the Original Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Copies of all documents incorporated by reference in the Offering Circular are available on the website of the London Stock Exchange plc at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and may also be obtained from (i) the registered office of the Issuer and/or (ii) the specified office of HSBC Bank plc, the Issuing and Principal Paying Agent for the time being in London, at 8 Canada Square, London E14 5HQ.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (b) any other statement in or incorporated in the Offering Circular, the statements in (a) above will prevail.

Except as disclosed in this Supplement, there has been no significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Offering Circular.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in the Offering Circular by this Supplement.

None of the Offering Circular, this Supplement, any other supplements to the Offering Circular or any Final Terms constitutes an offer of, or an invitation by or on behalf of the Issuer, the Original Guarantor or any of the Dealers to any person to subscribe for, or purchase, any Notes.

The distribution of the Offering Circular, this Supplement, any other supplements to the Offering Circular and any Final Terms and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession the Offering Circular, this Supplement, any other supplements to the Offering Circular or any Final Terms may come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of the Offering Circular, this Supplement, any other supplements to the Offering Circular, any Final Terms and other information in relation to the Issuer, the Original Guarantor and the Notes and the offer or sale of Notes in the United States, the European Economic Area, Belgium, the United Kingdom, Japan and Singapore, see “Subscription and Sale” in the Offering Circular. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons, see “Subscription and Sale” in the Offering Circular.

ISSUER’S HALF YEAR REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2018

On 14 June 2019, the Issuer published its Half Year Report for the six months ended 31 March 2019 (the “**Half Year Report**”). By virtue of this Supplement, the Half Year Report (excluding all information incorporated by reference therein either expressly or implicitly) is incorporated in, and forms part of, the Offering Circular.

RECENT DEVELOPMENTS

On 14 June 2019, the Issuer announced that as a result of the Board of the Issuer's decision to reduce the Issuer's capital reserves level, S&P Global Ratings Europe Limited, UK Branch has downgraded the Issuer's senior, unsecured long term debt rating from A+ to A (stable outlook). Moody's France SAS has confirmed it will maintain its A1 rating (stable outlook).

Under the Issuer's capital policy, capital is targeted to a position at least 15 percent above the minimum capital requirement (calculated at a 99.99% confidence level). In FY 2017/18, the minimum capital requirement plus fifteen percent was calculated at £2,327,500,000, whilst actual reported capital reserves stood at £2,547,500,000. The Board determined this headroom above the minimum policy position as appropriate given the economic environment, and associated risks, at that time.

In line with National Audit Office recommendations, the Motability charity engaged Oliver Wyman to conduct an external review to examine the capital modelling methodology, applied risk appetite and confidence levels of the Issuer, and to benchmark its capital reserve levels against near-comparable companies (the "**Review**").

The Review has confirmed the appropriateness of the Issuer's economic capital approach and supports the application of a 99.99% confidence level (or one in ten thousand loss event), given its unique risk profile. The Review is supportive of the Issuer's general approach, however the Review noted that the judgement underpinning the calculation of a number of individual risk components could be adjusted to be less conservative (while remaining consistent with the 99.99% assumption).

In refreshing and updating the Issuer's economic capital model this year, the Board has taken the Review into consideration. Following this exercise, and having recalibrated the statistical and/or scenario based modelling within various risk factors and having taken into consideration all potential ramifications of a reduced capital level, the Board resolved to reduce the capital reserve level by £150,000,000 below the FY 2017/18 policy position of £2,327,500,000 (a level which is consistent with the Board's revised assessment of the 99.99% requirement whilst also retaining 15% headroom in line with existing policy).

In order to achieve the reduction of the capital reserve level, the Issuer will, subject to availability of sufficient liquidity and a successful debt capital market issuance, make a donation to the Motability charity of an amount that will not exceed the amount required by the Issuer to reduce the capital reserve position to the revised capital baseline position, which is an amount of £370,000,000 below the reported FY 2017/18 capital position of £2,547,500,000. The timing of the donation will be determined by the Board later this financial year.

In order to deliver the reduction of the capital reserves level, the Issuer will record a loss for the financial year ending 30 September 2019. The Board considered this would not impact the Issuer's ability to meet its actual and contingent liabilities, including any additional liabilities incurred as a result of a debt capital market

issuance, or result in it becoming insolvent on either a balance sheet or cash flow basis.

UPDATED USE OF PROCEEDS

Unless otherwise specified in the applicable Final Terms, the net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making donations to the Motability charity.