

TRANSCRIPT

**Old Mutual plc
Annual General Meeting
And Court Meeting
14 May 2004**

Annual General Meeting

Chairman

Good morning ladies and gentlemen, and welcome to the 2004 Annual General Meeting of Old Mutual plc. A quorum being clearly present, I declare the meeting open. All of the Directors of the Company are here today, but because of space limitations on the stage, some of them are in the first row below.

Alongside me on the platform, running from left to right as you look at the stage, are, firstly Julian Roberts our Finance Director, then Norman Broadhurst, who is Chairman of the Audit Committee and Jim Sutcliffe our Chief Executive. On my left is Martin Murray, our Company Secretary, and next to him Chris Collins, who is the Senior Non-Executive Director and Chairman of the Remuneration Committee.

In the front row are our other five Non-Executive Directors and I'd like each one of them to stand up as I name them: Warren Clewlow, Rudi Bogni, Nigel Andrews, Michael Marks and Chris Liebenberg.

As space here in the Presentation Suite is somewhat limited, we've laid on an audio link to an overflow area in the adjacent room.

I'm also pleased to welcome to today's meetings a number of guests, advisers and senior staff of Old Mutual.

You should all have received the notice of the Annual General Meeting that was included in the Annual Report and Summary Financial Statements posted to shareholders at the end of March. For those of you who have not brought the report with you, the resolutions that make up the principal business of the AGM can be found on pages 49 to 51 of the Summary Report, a copy of which has been placed on each chair.

Immediately after the Annual General Meeting we shall be holding a meeting of shareholders, at the direction of the United Kingdom High Court, to consider a scheme of arrangement relating to the proposed extension of the time within which former members of Old Mutual can claim their demutualisation benefits. You'll also find on your chairs a copy of the circular relating to that Court Meeting, which was sent out to shareholders with the Annual Report.

I'd now like to explain the arrangements that we've put in place for your comfort and convenience today. As you arrived here this morning you were advised that if you wish to ask a question, you should register it at the question registration desk in the coffee area. I'll take any questions that have been registered first. There are roving microphones for you to use and I'd ask anyone who wants to ask a question to attract the attention of one of the

microphone attendants. In the adjacent room we have laid on an enquiries desk, that's the room where the refreshments were served, to deal with any policyholder or customer queries, and staff are on hand there to assist you. We also provide an audio loop facility for anybody who has hearing equipment.

We have decided to carry out the voting on today's business by a poll, rather than a show of hands, on each resolution. As required by the Court, we shall also be holding a poll on the resolution at the Court Meeting. All shareholders and proxies here today should have received a poll card on their way in. It's printed on the reverse side of your white shareholder's card or pink proxy card. If you did not receive such a card and are entitled to vote on the polls, please ask one of the attendants to let you have a card now. After today's meetings we'll make a report on their outcome to the London and other stock exchanges where our shares are listed. We shall also be placing a full record of both meetings on our website, oldmutual.com and expect that this should be available online by the middle of next week.

We have issued a statement this morning about the performance of our businesses in the first part of 2004. You'll have found a copy of the press release on your chair and I will shortly invite Jim Sutcliffe to present this to you. After Jim has completed his presentation, I shall move on to Resolution Number 1, the adoption of the Report and

Accounts, when there will be an opportunity for you to raise any questions you may have. I would propose to take any questions that any of you may have on all of the resolutions in the agenda for the AGM at this point, as a single question and answer session. Jim, would you please make your presentation.

Jim Sutcliffe

Thank you Chairman, and good morning ladies and gentlemen, and may I add my welcome to that of the Chairman. As the Chairman said, we're going to depart slightly from our practice in previous years and we will present only the results for 2004, rather than a review of 2003.

I am pleased to tell you that Old Mutual's trading in the first three months of 2004 has been in line with our expectations and that profitability has been in excess of the average rate that we achieved for the full year 2003. The Rand has continued to be strong over the quarter and this has boosted the Sterling value of our South African results and has offset the negative effect of dollar weakness on the results from the US businesses.

Our life assurance sales in the United States, if we measure them on the usual annual premium equivalent basis, were a \$103 million, which compared with \$99 million for the equivalent period last year, so a nice increase there, but the promising start to the year in South Africa was not sustained and total annual premium

equivalent at R655 million was lower than the 2003 number of R803 million. In South Africa, individual recurring premium sales were up 7% for the quarter, but total single premium sales fell by 29%. Our group premium business, which is very lumpy, was low in the quarter and the impact of new legislation took some time out of our salesmen's activity.

But despite this, when we put together both our life assurance and our asset management businesses, the net cash flow that we received from our customers was healthy all around the world. We took in net cash from our customers in the US of some \$2.3 billion. In South Africa, with good performances in the asset management and unit trust area, there was a net inflow of R1.1 billion and in the UK our two start-ups, Old Mutual Asset Management and Selestia, produced a positive £110 million, which was a huge increase on the number for last year.

Our South African banking business, Nedcor, completed its rights issue and the three-year recovery programme that we've announced is on track. It's early days and we've a long way to go, but so far it is on the path that we expected. We've announced headcount reductions in Nedcor of 1,742, which is out of about 24,000, and we have also continued the process of de-risking the balance sheet, through repatriation to South Africa of dollar assets.

The migration of BoE's business banking clients on to Nedcor platforms has now been completed. This was a key risk area that we were looking at in the early part of this year, which has now been put behind us with minimal loss of clients.

In our South African short-term or general insurance business, Mutual & Federal, the underwriting results remained at the cyclical highs that we saw last year; a very pleasing level, thanks to low levels of claims and good growth in premiums. Our overall stake in Mutual & Federal (as you know we acquired Royal & Sun Alliance's 37%), now stands at 88.1%.

Many of our shareholders use embedded value to measure what they think our shares are worth, and I'm pleased to tell you that, at close of play yesterday, embedded value was approximately 109 pence, which is up from 107 pence at the beginning of the year.

We were also pleased a couple of weeks ago to report that we had had strong support from our relationship banks, our core relationship banks in particular, when we renewed our bank facilities by negotiating a £1.1 billion syndicated revolving credit facility; a very pleasing result.

So, a decent start to the year, but as we look forward, and I would like to tell you that we expect to progress steadily over the coming months; our results as always are affected by markets and currency levels. Nedcor will progress its

recovery plan, which is being driven into all parts of the business. We are taking action to bolster our South African life sales. In the United States we anticipate continued growth in both our businesses, continued growth in assets under management, but subject to market conditions. And in the UK, we expect our start-up businesses to continue to develop according to plan and produce an even better result.

Thank you very much, thank you Chairman.

Chairman

Thank you, Jim. Now, before putting the first resolution to the meeting, I'd like to take the single question and answer session. Please, when asking your questions, state your name clearly.

I'll take first any questions registered at the registration desk. I'm told that there were no questions registered at the registration desk, so now if we can take any questions from the audience?

If there are no questions, I will move on to the formal business of the meeting.

As I said earlier, we will be conducting the voting by poll. Please fill in your poll card for each resolution in the notice as I refer to it. You will be using the same card for the Court Meeting: that's just at the bottom end of the card. Carole Carrington of Computershare has kindly agreed to

act as scrutineer for all of the polls, so as to ensure that the votes are correctly tallied. I should add that those of you who have already sent in proxy forms and do not wish to alter your vote, need not complete a poll card; indeed, it will make the count of votes simpler if those shareholders who have already sent in proxy forms refrain from voting by card now.

The outcomes of all of the poll votes will be announced to the markets later today and will also be posted on our website, oldmutual.com. Each shareholder should complete one poll card for him or herself. If you have been appointed as a proxy, you should complete one poll card for each shareholder for whom you have been appointed.

Please ensure that you have been given the correct number of poll cards. If you have any queries regarding filling in your card, please raise your hand and a member of Computershare will be happy to assist you.

On your poll card or cards, please fill in your name and shareholding or if you are a proxy, the name and holding of the shareholder whom you are representing. Please clearly mark your votes for or against the relevant resolutions. Please ensure that you sign your completed poll card. When completed and signed, poll cards should be placed in the purple ballot boxes as you leave the meeting room. In accordance with the Combined Code, and as these votes are being conducted by a poll rather

than a show of hands, we will not display here the proxy votes that have already been cast in respect of the relevant resolutions.

I now propose Resolution 1, to receive and adopt the report and accounts for the year ended 31st December 2003. Please cast your votes on Resolution Number 1 by filling in your poll card.

I now propose Resolution Number 2, which is to declare a dividend of 3.1 pence per share. Please cast your votes on Resolution Number 2 by filling in your poll card.

In accordance with our Articles, a number of directors are standing for election or re-election today. I'd like to propose Resolution 3(i), the election of Michael Marks as a director of the Company. Please cast your votes on Resolution Number 3(i) by filling in your poll card.

I would like to propose Resolution 3 (ii), the re-election of Rudi Bogni as a director of the Company. Please cast your votes on Resolution Number 3(ii) by filling in your poll card.

I would like to propose Resolution 3(iii), the re-election of Norman Broadhurst as a director of the Company. Please cast your votes on Resolution Number 3(iii) by filling in your poll card.

I'd now like to propose Resolution 3(iv), the re-election of Julian Roberts as a director of the Company. Please cast your votes on Resolution number 3(iv) by filling in your poll card.

Moving on to Resolution 4, this relates to the re-appointment of KPMG Audit Plc as auditors to the Company. I call on Norman Broadhurst, the Chairman of our Audit Committee, to propose this resolution.

Norman Broadhurst I have pleasure in proposing that KPMG Audit Plc be re-appointed as auditors of the Company.

Chairman Thank you, Norman. I now put Resolution 4 to the meeting. Please cast your votes on Resolution Number 4 by filling in your poll card.

I will now propose Resolution Number 5, that the Audit Committee of the Company be authorised to settle the auditors' remuneration. Please cast your votes on Resolution Number 5 by filling in your poll card.

I now turn to the special business of the meeting. Resolution 6 is an ordinary resolution to approve the Remuneration Report and I call on Chris Collins, Chairman of our Remuneration Committee, to propose this resolution.

Chris Collins I have pleasure in proposing the approval of the Remuneration Report.

Chairman Thank you, Chris. I now put Resolution Number 6 to the meeting. Please cast your votes on Resolution Number 6 by filling in your poll card.

Resolution 7 is an ordinary resolution. It renews the Directors' authority to allot relevant securities up to an aggregate nominal amount of £127,917,000. This resolution, which is in accordance with United Kingdom institutional investors' guidelines, does not accord with what is now regarded as best practice in South Africa. In the light of this, the Board undertakes that the Company will not use the authority to be granted by this resolution beyond 10% of the existing issued shares, that is to an aggregate nominal value of £38,374,000, without coming back to shareholders, notwithstanding the higher figure contained in the resolution. I now propose Resolution Number 7. Please cast your votes on Resolution Number 7 by filling in your poll card.

Resolution 8 is a special resolution, authorising the directors to allot equity securities up to a maximum nominal aggregate amount of £19,187,000 in the Company, for cash. This again renews an existing authority. I now propose Resolution Number 8 as a special resolution, which requires a 75% majority of votes in favour. Please cast your votes on Resolution Number 8 by filling in your poll card.

Resolutions 9 and 10(i) to 10(iv) are special resolutions. They set out the mechanisms by which the Company may buy back its own shares on the five exchanges where they are listed. There are five separate resolutions because of legal technicalities, but the overall effect is intended to be the same as a standard buy-back authority. I now propose Resolution 9, the authority to buy back shares on the London Stock Exchange, as a special resolution. Please cast your votes on Resolution Number 9 by filling in your poll card.

I now propose Resolution 10(i), the authority to buy back shares on the JSE Securities Exchange South Africa, as a special resolution. Please cast your votes on Resolution Number 10(i) by filling in your poll card.

I now propose Resolution 10(ii), the authority to buy back shares on the Namibian Stock Exchange, as a special resolution. Please cast your votes on Resolution Number 10(ii) by filling in your poll card.

I now propose Resolution 10(iii), the authority to buy back shares on the Zimbabwe Stock Exchange, as a special resolution. Please cast your votes on Resolution Number 10(iii) by filling in your poll card.

I now propose Resolution 10(iv), the authority to buy back shares on the Malawi Stock Exchange, as a special

resolution. Please cast your votes on Resolution Number 10(iv) by filling in your poll card.

Resolution 11 relates to the adoption of updated Articles of Association for the Company, in the form of the version I now have before me, and which has been on display in the lead-up to this meeting. The main changes from the previous version are described in the notes accompanying Resolution 11 in the Notice of the Meeting. I now propose Resolution 11 as a special resolution. Please cast your votes on Resolution Number 11 by filling in your poll card.

Resolution 12 relates to proposals to enable the Board to extend the period within which former members of Old Mutual may come forward to claim certain entitlements that arose on demutualisation. A resolution relating to the scheme of arrangement to enable these proposals to be implemented will be considered at the Court Meeting to be held immediately after this AGM, but Resolution 12 provides additional support for these proposals, including a change to the Company's objects clause. I now propose Resolution 12 as a special resolution. Please cast your votes on Resolution Number 12 by filling in your poll card.

I'd like to take this opportunity to thank the Board and the management and staff for their contributions to the Group over the past year. In particular I'd like to pay tribute to the contribution of Chris Liebenberg to the Board. Thank you, Chris. Chris joined the Board when we first listed in

London in 1999, and will be retiring on his seventieth birthday later this year. We wish him a very long and happy retirement.

That brings to a conclusion the business of the Annual General Meeting and I'll now open the Court Meeting to consider the scheme of arrangement relating to the extension of the Company's five Unclaimed Shares Trusts.

Court Meeting

As I mentioned earlier, a copy of the circular to shareholders has been placed on each of your chairs. That circular summarises the proposals that are for consideration today and which are to be implemented through a scheme of arrangement between the Company and its shareholders under section 425 of the United Kingdom Companies Act 1985. The scheme is described in the circular.

In order to become effective, the Resolution to approve it needs to be passed by a majority of 75% or more of the shares voted on it and by a majority of shareholders who vote. If passed, the scheme will then be submitted to United Kingdom High Court for its approval. The full texts of the scheme of arrangement and of the various ancillary documents have been on display as mentioned in that circular.

In outline, the proposal contained in the scheme is for the Board to be authorised to extend the period within which certain entitlements can be claimed for a further period or periods up to a maximum of five years beyond the expiry date prescribed by the original scheme of demutualisation.

That date falls later this year and there are still a number of shares unclaimed, particularly in South Africa, despite the strenuous efforts made to contact those who are entitled to them.

The resolution for consideration at the Court Meeting is as follows:

“That the scheme of arrangement between the Company and the scheme shareholders, a copy of which has been produced at this meeting and signed for the purpose of identification by me as Chairman, be and the same is hereby approved.”

Before I put this Resolution to a vote (which, as I previously said, will be conducted on a poll, as required by the Court) are there any questions on this proposal?

If there are no questions on the scheme of arrangement, I now put the resolution to the meeting. On your poll card or cards, please fill in your name and shareholding, or if you are a proxy, the name and holding of the shareholder whom you are representing. Please sign the appropriate box to indicate clearly your votes “for” or “against” the resolution. When completed, poll cards should be placed in the purple ballot boxes as you leave the meeting room. In accordance with the Combined Code, as these votes are being conducted by a poll rather than a show of the hands,

we will not display here today the proxy votes that have already been cast in respect of the resolution.

One of my functions as Chairman of the Court Meeting is to record the votes of those holders of ordinary shares who have signed a proxy, in accordance with the directions stated on the forms. If any proxy has been submitted by a shareholder appointing me as their proxy, but without giving a definite direction to vote either “for” or “against” the scheme, it cannot be used.

As I said earlier, the results of this poll will be announced to the markets later today and a copy of that announcement will also be placed on our website, oldmutual.com.

I now declare the Court Meeting closed.

Please place your completed poll card for both the AGM and the Court Meeting in the purple boxes as you leave the meeting.

Refreshments will be served in the room where tea and coffee were available earlier this morning. A number of staff are here to assist you if you require any information or special help. Can I thank all of you for being so good as to attend the meetings this morning. Thank you.